

**TOWNSHIP OF TITTABAWASSEE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2004**

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Tittabawassee	County Saginaw
Audit Date 3/31/04	Opinion Date 5/12/04	Date Accountant Report Submitted to State: 8/11/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable boxes for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL: 129/91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

### We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal financial assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name) Yeo & Yeo, P.C. Certified Public Accountants			
Street Address 3023 Davenport	City Saginaw	State Michigan	ZIP 48602
Accountant Signature 			

**TOWNSHIP OF TITABAWASSEE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2004**

TOWNSHIP OFFICIALS

KENNETH KASPER	SUPERVISOR
ROBERT DuCHARME	CLERK
MARY KAY KNOERR	TREASURER
PAUL VASOLD	TRUSTEE
RICK HAYES	TRUSTEE
RUTH AVERILL	TRUSTEE
CARL NEUENFELDT	TRUSTEE

TOWNSHIP MANAGER  
BRIAN KISCHNICK

FISCAL SERVICES DIRECTOR  
BRIAN HOFMEISTER

POLICE CHIEF  
ROBERT HARKEN

FIRE CHIEF  
WILLIAM KIRCHNER

TOWNSHIP ATTORNEY  
LIPPERT & HUMPHREYS, P.C.

TOWNSHIP OF TITTABAWASSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

TABLE OF CONTENTS

	<u>PAGE NO.</u>
<b>INTRODUCTORY SECTION</b>	
TABLE OF CONTENTS	i-v
LETTER OF TRANSMITTAL	vi-xii
ORGANIZATIONAL CHART	xiii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet – All Fund Types, Account Groups and Discretely Presented Component Unit	4 - 5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Fund Types and Discretely Presented Component Unit	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General, Special Revenue and Capital Projects Funds – Primary Government	7
Combined Statement of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types	8
Combined Statement of Cash Flows – All Proprietary Fund Types	9
Notes to Financial statements	10 - 20
COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS AND SCHEDULES	
GOVERNMENTAL FUND TYPES	
GENERAL FUND	
Comparative Balance Sheet	22
Comparative Statement of Changes in Fund Balance	23
Statement of Revenues – Budget and Actual	24
Statement of Expenditures – Budget and Actual	25 - 26
Comparative Detail Analysis of Expenditures	27 - 33

TOWNSHIP OF TITTABAWASSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

TABLE OF CONTENTS  
(Continued)

	<u>PAGE NO.</u>
COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
GOVERNMENTAL FUND TYPES	
SPECIAL REVENUE FUNDS	
Combining Balance Sheet	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	37
FIRE PROTECTION FUND	
Comparative Balance Sheet	38
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	39
POLICE PROTECTION FUND	
Comparative Balance Sheet	40
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	41
PARK FUND	
Comparative Balance Sheet	42
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	43
TRASH FUND	
Comparative Balance Sheet	44
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	45
BUILDING INSPECTION FUND	
Balance Sheet	46
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	47

TOWNSHIP OF TITTABAWASSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

TABLE OF CONTENTS  
(Continued)

	<u>PAGE NO.</u>
COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
CAPITAL PROJECTS FUND	
Comparative Balance Sheet	50
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	51
GOVERNMENTAL FUND TYPES	
ENTERPRISE FUNDS	
Combining Balance Sheet	54 - 55
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	56
Combining Statement of Cash Flows	57
WATER FUND	
Comparative Balance Sheet	58 - 59
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings	60
Comparative Statement of Cash Flows	61
SEWER FUND	
Comparative Balance Sheet	62 - 63
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings	64
Comparative Statement of Cash Flows	65
FIDUCIARY FUNDS	
Combining Balance Sheet – All Trust and Agency Funds	68
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	69

TOWNSHIP OF TITTABAWASSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

TABLE OF CONTENTS  
(Continued)

	<u>PAGE NO.</u>
COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
CURRENT TAX COLLECTION FUND	
Analysis of 2003 Tax Spread and Collections to Date of Return to County Treasurer	70
Schedule of Distribution of 2003 Tax Collections	71
ACCOUNT GROUPS	
Schedule of Changes of General Fixed Assets	74
Statement of General Long-Term Debt	75
Schedule of Changes in Long-Term Debt	75
COMPONENT UNIT	
DOWNTOWN DEVELOPMENT AUTHORITY FUND	
Combined Balance Sheet	78
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	79
Schedule of Changes in General Fixed Assets	80
Statement of General Long-Term Debt	80
Schedule of Changes in Long-Term debt	80
<b>STATISTICAL SECTION</b>	
Schedule of Indebtedness	82 - 83
Property Tax Levies and Collection – Last Ten Fiscal Years	84
Principal Taxpayers	85
General Fund Expenditures and Other Uses by Function	86
General Fund Revenues and Other Sources by Function	87
Computation of General Obligation Debt	88

TOWNSHIP OF TITTABAWASSEE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

TABLE OF CONTENTS  
(Continued)

PAGE NO.

**STATISTICAL SECTION**

Financial Graphs	
General Fund – Revenues	89
General Fund – Expenditures	91
General Fund – Fund Balance	93
Police Fund – Revenues and Expenditures	95
Park Fund – Revenues and Expenditures	97
Trash Fund – Revenues and Expenditures	99
Sewer Fund – Operating Income	101
Water Fund – Operating Income	103
Total Adjusted State Equalized Valuation (S.E.V.)	105





May 12, 2004

Tittabawassee Township Board  
Freeland, Michigan

The Comprehensive Annual Financial Report of the Township of Tittabawassee, for the fiscal year ended March 31, 2004, is submitted herewith. This report was prepared by the Fiscal Services Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with the Township. I believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of the Township's various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial activity have been included. Included in this report is the unqualified opinion of Yeo and Yeo P.C., Certified Public Accountants, who performed the independent audit of the Township as required by State Law.

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

The Comprehensive Annual Financial Report consists of three parts. The introductory section includes this transmittal letter, which highlights significant financial operations during the year and issues facing the Township, the principal Township officials, and an organizational chart. The financial section includes the independent auditors' report, combined financial statements and related notes, and supplemental financial data. The statistical section includes several tables of unaudited data depicting the financial history of the Township as well as demographic and other miscellaneous statistics.

### **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

Management of the Township is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All funds and account groups of the Township are included in the following financial statements. The Township accounting records for governmental type funds (General, Special Revenue and Capital Projects) are maintained on a modified accrual basis with revenues being recognized when they become both measurable and available and expenditures generally recognized when the goods and services are received and liabilities incurred. Accounting records for the Township's proprietary funds (Water and Sewer) are maintained on the accrual basis with revenues recognized when earned and expenses recognized when incurred.

The annual budget is prepared through a joint effort of the Manager and Fiscal Services Director after involving all department heads and projecting their needs for the ensuing year. After a public hearing is held, the Budget is adopted prior to the start of expenditures for the new fiscal year.

Budgetary control is exercised over all budgeted funds with monthly review by the Fiscal Services office for all budgets. Any significant variances are reported to the Manager. Periodic reports are made to the Township Board, and the budget is revised as warranted by changed conditions.

### **THE REPORTING ENTITY AND ITS SERVICES**

All funds included within the financial section of this report are under the control of, and dependent on, the Township and its elected officials. The general purpose financial statements of the Township include all governmental activities, organizations, and functions as required by U.S. generally accepted accounting principles. The criteria considered in deciding which activities to be reported include, the degree of oversight responsibility exercised by the Township Board, the Township's accountability for the entity's fiscal matters, the scope of public service of the entity, and the nature of any special financing relations that may exist. The Township has one component unit. The Downtown Development Authority's financial statements are included in this report.

The Township of Tittabawassee is located in Saginaw County with a population currently estimated at 8,655. Services provided include police, fire, sanitation, water, planning and zoning, recreation, refuse collection and general administrative services.

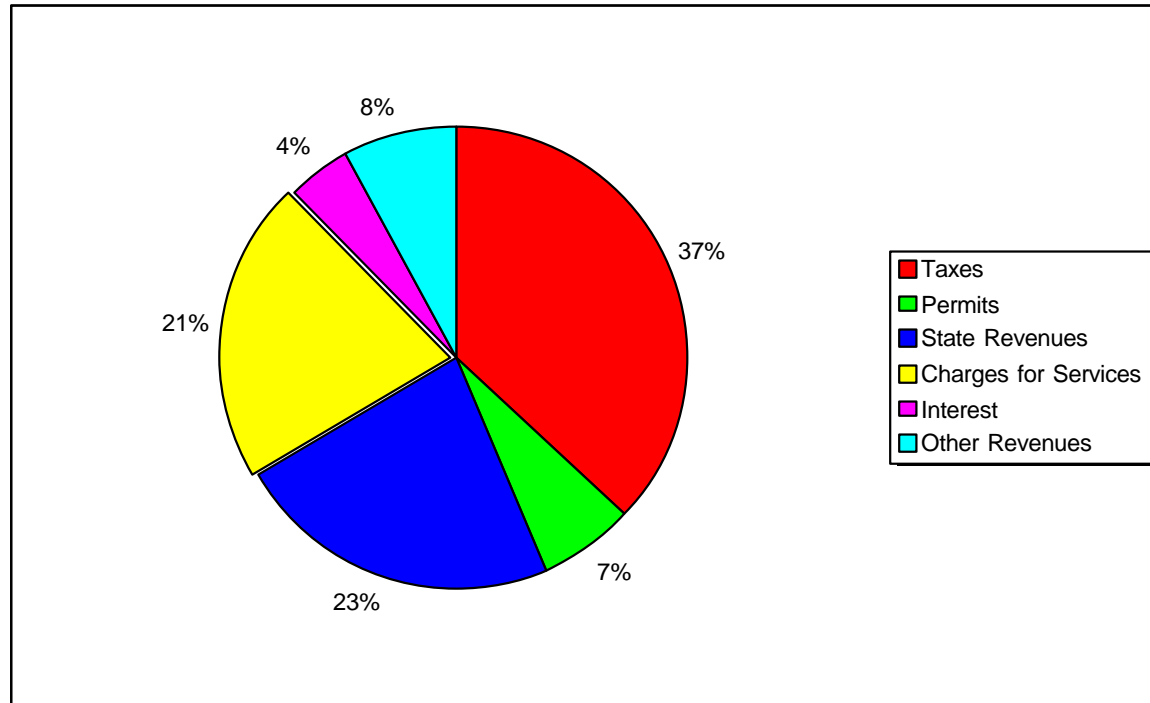
### **GENERAL GOVERNMENTAL FUNCTIONS**

The following schedule presents a summary of general fund, special revenue funds and capital project fund revenues for the fiscal year ended March 31, 2004 and the amount and the variance in relation to prior year's revenues.

Revenues for general governmental operations totaled \$2,213,353 for the year ended March 31, 2004, representing an increase of 6% over the previous year. The most significant increase in actual continued revenues was derived from contribution revenues.

### Revenues - General, Special Revenue and Capital Projects Funds

	Amount <u>3-31-04</u>	Amount <u>3-31-03</u>	Increase (Decrease) <u>From 2003</u>	Percent <u>of Total</u>
Taxes	817,126	749,080	68,046	36.92%
Permits	145,370	136,621	8,749	6.57%
Intergovernmental revenues:				
State grants	1,085	3,347	(2,262)	0.05%
State shared revenues	504,347	538,296	(33,949)	22.79%
Contributions	62,355	750	61,605	2.82%
Charges for services	465,811	454,276	11,535	21.05%
Interest	99,476	134,562	(35,086)	4.49%
Fines	9,440	6,871	2,569	0.43%
Other revenue	79,020	64,610	14,410	3.57%
Sale of fixed assets	29,323	5,256	24,067	1.32%
	<u>2,213,353</u>	<u>2,093,669</u>	<u>119,684</u>	<u>100.00%</u>



Due to new construction, sales, and rate of inflation increases, the Township's state taxable valuation increased 11% from 215,029,253 in 2002 to 238,328,500 in 2003. Since 1990 the Township has experienced a 76% increase in taxable value. Continued growth in property tax revenue is expected. Construction permit fees increased due to the construction of new homes.

The General Fund had a \$34,235 decrease in State shared revenue. The charge for services increase reflects an increase in trash customers and the cemetery fees. Interest earnings decreased due to a smaller investment balance and falling interest rates. Overall the General Fund had a decrease of 4% to last year.

The following schedule on page x presents a summary of general fund, special revenue funds and capital project fund expenditures for the fiscal year ended March 31, 2004 and the amount and variance in relation to prior year's revenues.

Overall expenditures and other uses decreased by \$32,826. Total expenditures for the General Fund were \$830,456 in 2004 and \$863,282 in 2003. Public Safety costs decreased due to the building inspection department now being in its own fund. Roads, Bridges, and Sidewalks counted for about all of the general fund expenditure increase, due to the continued work to improve the Township's means for transportation.

Police Fund expenditures also increased overall by 37% while the revenues increased by 11%. An important factor that will influence the police department in the ensuing years is the continuation of grants obtained by the Chief of Police.

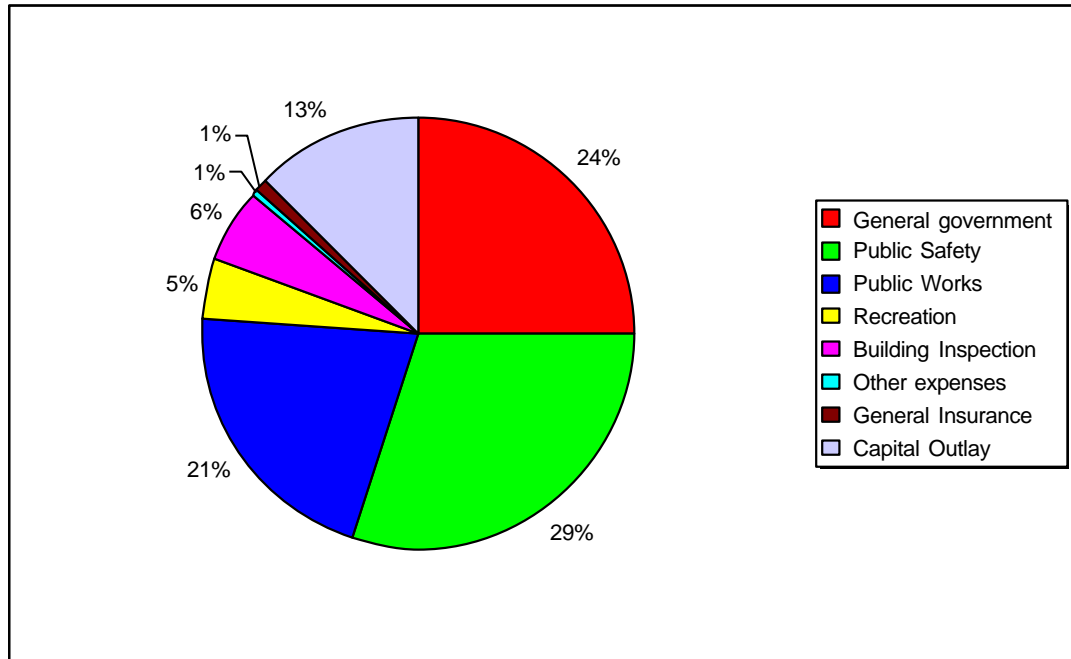
The Park Fund experienced a 29% increase in expenditures, which was due to the grant expenditures and increased activities available in the Township's park system.

The Capital Improvement Fund is a new fund established by the Board in 1997. With yearly transfers from the General Fund this fund will be maintained to acquire or construct major capital outlays

The Downtown Development Fund experienced a 25% increase in expenditures and an increase of 14% in revenues for 2004 fiscal year. The project expenditures included the M47/ Washington intersection improvements for \$29,410.

### Expenditures - General, Special Revenue and Capital Projects Funds

Amount 3-31-04	Amount 3-31-03	Increase (Decrease) From 2003	Percent of Total
General government	400,506	61,516	25.11%
Public Safety	495,996	52,469	29.81%
Public Works	471,510	(82,632)	21.14%
Recreation	63,181	21,181	4.59%
Building Inspection	80,881	21,696	5.58%
Other expenses	8,765	1,171	0.54%
General Insurance	9,185	2,517	0.64%
Capital Outlay	119,501	112,228	12.60%
<u>1,839,671</u>	<u>1,649,525</u>	<u>190,146</u>	<u>100.00%</u>



## ENTERPRISE FUNDS

The Township's enterprise operations consist of two separate activities; the water and sewer fund. The enterprise funds are set up to operate primarily from user fees charged to the public. The following tabulation presents comparative financial data for the past two fiscal years.

SEWER FUND	<u>2003-04</u>	<u>2002-03</u>
Gross income	\$1,159,194	\$1,184,841
Net income before depreciation	764,960	806,877
Net income available for debt service	787,250	834,456
Annual debt service	122,290	117,579

The past two years did not see the sewer line expansion as in past while total income increased mostly due to the interest on investments and tap charges. Sewer service charges were up 3% due to the addition of 82 new customers. Income from interest decreased due to a decrease in the investment balance from previous fiscal year.

WATER FUND	<u>2003-04</u>	<u>2002-03</u>
Gross income	\$1,345,432	\$1,327,410
Net income before depreciation	630,416	649,683
Net income available for debt service	680,429	690,953
Annual debt service	88,257	89,514

The Water Fund had continued water line expansion with increasing income from the additional 76 new customers. The water fund had a decrease in operation revenue of 122,927 due to no project reimbursements. The completion and continuation of major watermain projects will help to serve more customers and provide the Water Fund with continued growth.

## DEBT ADMINISTRATION

The gross bonded debt of all types that is outstanding at March 31, 2004, totals \$2,005,800. Of that total, \$240,000 is supported by special assessments, \$520,000 by water revenues, \$950,000 by the Downtown Development Authority's, and \$295,800 by the General Fund captured taxes. The gross direct long-term debt was reduced by \$175,200 in payments during the year ended March 31, 2004.

## INVESTMENTS

A decrease in interest rates resulted in a decrease in interest income for all types of funds from \$313,817 in 2003 to \$233,172 in the year ended March 31, 2004.

## **FUTURE MAJOR INITIATIVES**

The Township's strategic plan includes the following projects;

For the year ended March 31, 2004:

Administration Addition

Construct a New Memorial Building

Construct a New Police Dept. Garage

Play Ground at Tittabawassee Township Park

Review various subdivisions & commercial developments

Purchase New Police Cruiser

Renegotiate Water Service Contract

Webster Road Stop Light

Complete Forcemain from Lift Station #4

Future years:

In-house tax billing

Sidewalk development

Continued water and sewer system improvements and expansions

## **AUDIT REQUIREMENTS**

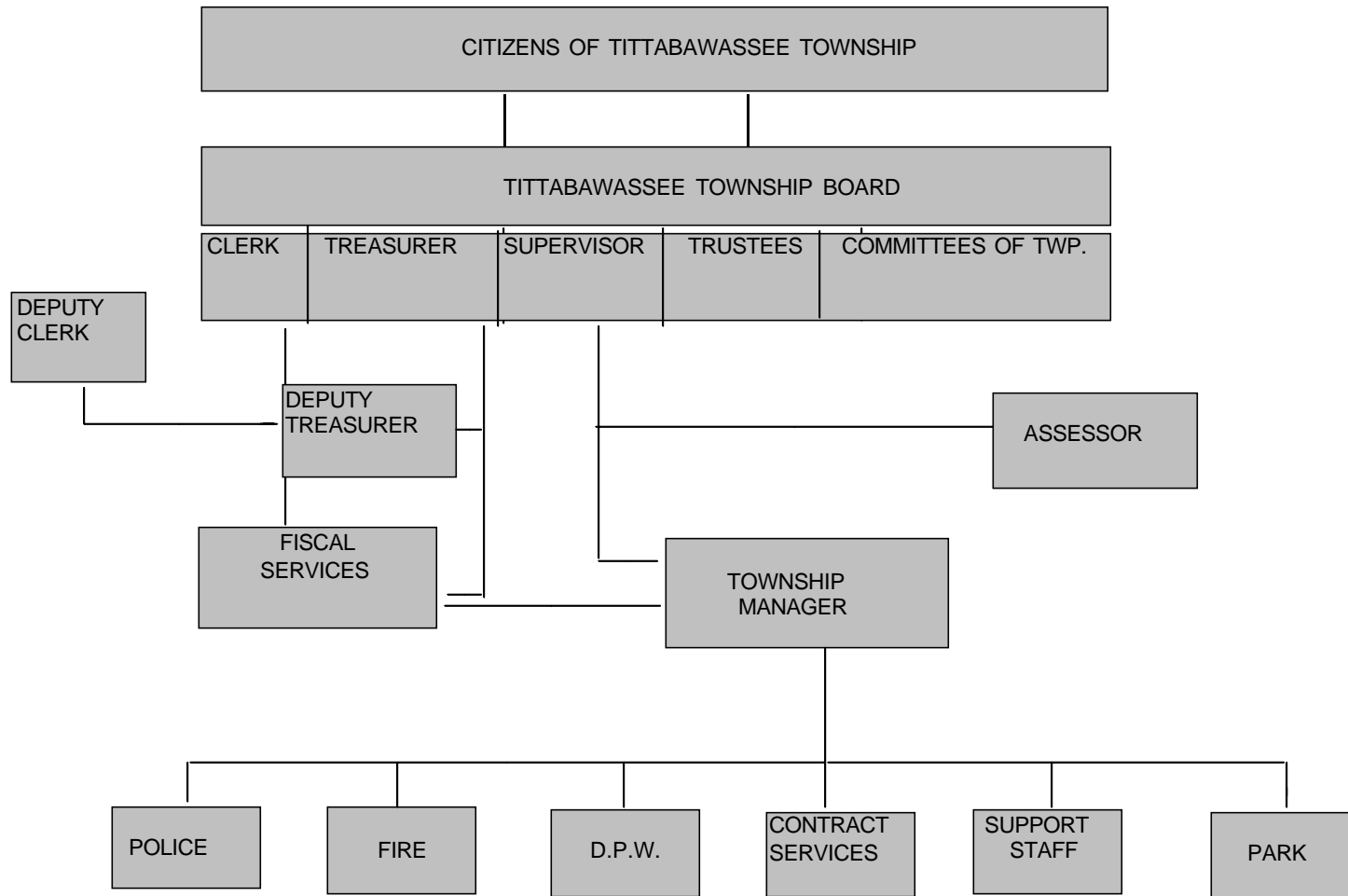
Michigan Public Act 2 of 1968, as amended by Public Act 621 of 1978, requires that local governmental units with populations over 2,000 submit annual audit reports to the Michigan Department of Treasury. This requirement has been complied with and the independent auditors' opinion included in this report.

Respectfully submitted,

Brian Hofmeister

Fiscal Service Accountant

# TITTABAWASSEE TOWNSHIP ORGANIZATION CHART







3023 Davenport  
Saginaw, MI 48602  
Phone (989) 793-9830 / (800) 968-0010  
Fax (989) 793-0186

To the Township Board  
Tittabawassee Township  
Saginaw County, Michigan

We have audited the accompanying general purpose financial statements of Tittabawassee Township, Saginaw County, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with the standards prescribed by the State Treasurer. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Tittabawassee Township, Saginaw County, Michigan, at March 31, 2004 and the results of its operations and cash flows of its proprietary fund types, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of Tittabawassee Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The statistical section data, as listed in the accompanying table of contents, was not subjected to the auditing procedures applied in our audit of the general purpose financial statements, and accordingly we express no opinion thereon.

*Yeo & Yeo, P.C.*

Saginaw, Michigan  
May 12, 2004

This page intentionally left blank

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**Township of Tittabawassee**  
**Combined Balance Sheet - All Fund Types, Account Groups**  
**and Discretely Presented Component Unit**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

Assets and Other Debits	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals 2004			Totals 2003		
	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only) Primary Government	Component Unit	(Memorandum Only) Reporting Entity	(Memorandum Only) Primary Government	Component Unit	(Memorandum Only) Reporting Entity
Assets													
Cash and cash equivalents	\$ 1,136,300	\$ 1,480,440	\$ 384,986	\$ 2,442,540	\$ 55,682	\$ -	\$ -	\$ 5,499,948	\$ 461,457	\$ 5,961,405	\$ 6,180,831	\$ 259,686	\$ 6,440,517
Investments	345,188	251,594	-	1,844,093	1,105,094	-	-	3,545,969	-	3,545,969	2,067,688	-	2,067,688
Receivables													
Interest	2,005	-	-	3,942	-	-	-	5,947	-	5,947	3,793	-	3,793
Taxes	14,096	47,197	-	4,872	-	-	-	66,165	48,826	114,991	63,564	25,647	89,211
Accounts	6	4,387	-	288,641	-	-	-	293,034	-	293,034	285,067	-	285,067
Special assessments - current	72,565	-	-	31,615	-	-	-	104,180	-	104,180	129,265	-	129,265
Due from State - accrued revenue	65,792	-	-	-	-	-	-	65,792	-	65,792	72,007	-	72,007
Due from other funds	4,130	44,180	-	166,794	-	-	-	215,104	-	215,104	182,388	-	182,388
Inventory	-	-	-	47,430	-	-	-	47,430	-	47,430	48,284	-	48,284
Prepaid expenses	-	24,290	-	-	-	-	-	24,290	-	24,290	24,290	-	24,290
Restricted assets													
Cash and cash equivalents	-	-	-	182,041	-	-	-	182,041	-	182,041	224,053	-	224,053
Investments	-	-	-	177,525	-	-	-	177,525	-	177,525	173,250	-	173,250
Receivables													
Taxes	-	-	-	697	-	-	-	697	-	697	1,745	-	1,745
Interest	-	-	-	1,031	-	-	-	1,031	-	1,031	1,031	-	1,031
Special assessments	-	-	-	49,642	-	-	-	49,642	-	49,642	79,921	-	79,921
Cash - revenue bond redemption fund (Note 4)	-	-	-	13,000	-	-	-	13,000	-	13,000	13,000	-	13,000
Cash - revenue bond reserve fund (Note 4)	-	-	-	43,500	-	-	-	43,500	125,105	168,605	43,500	193,245	236,745
Other assets													
Bond discount	-	-	-	7,176	-	-	-	7,176	-	7,176	9,110	-	9,110
Bond issuance costs	-	-	-	13,158	-	-	-	13,158	-	13,158	14,914	-	14,914
Property, plant and equipment	-	-	-	17,922,918	-	2,304,697	-	20,227,615	12,288	20,239,903	18,946,044	12,288	18,958,332
Accumulated depreciation	-	-	-	(8,247,044)	-	-	-	(8,247,044)	-	(8,247,044)	(7,488,949)	-	(7,488,949)
Other debits													
Amount to be provided for retirement of bond and installment purchases	-	-	-	-	-	-	295,800	295,800	950,000	1,245,800	295,800	1,000,000	1,295,800
Total assets	\$ 1,640,082	\$ 1,852,088	\$ 384,986	\$ 14,993,571	\$ 1,160,776	\$ 2,304,697	\$ 295,800	\$ 22,632,000	\$ 1,597,676	\$ 24,229,676	\$ 21,370,596	\$ 1,490,866	\$ 22,861,462

See Accompanying Notes to Financial Statements

**Township of Tittabawassee**  
**Combined Balance Sheet - All Fund Types, Account Groups**  
**and Discretely Presented Component Unit**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals 2004			Totals 2003		
	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only) Primary Government	Component Unit	(Memorandum Only) Reporting Entity	(Memorandum Only) Primary Government	Component Unit	(Memorandum Only) Reporting Entity
Liabilities, Equity and Other Credits													
Liabilities payable from current assets													
Accounts payable	\$ 11,168	\$ 55,808	\$ -	\$ 47,677	\$ 51,552	\$ -	\$ -	\$ 166,205	\$ 532	\$ 166,737	\$ 131,401	\$ 2,606	\$ 134,007
Accrued payroll	16,372	20,424	-	10,352	-	-	-	47,148	510	47,658	37,193	335	37,528
Compensated absences payable	26,021	34,601	-	17,837	-	-	-	78,459	800	79,259	108,689	365	109,054
Deposits held for others	-	-	-	14,451	-	-	-	14,451	-	14,451	12,251	-	12,251
Customers' deposits	900	1,650	-	-	-	-	-	2,550	-	2,550	1,575	-	1,575
Due to other funds	53,172	-	-	157,802	4,130	-	-	215,104	-	215,104	182,388	-	182,388
Due to other units of government	-	-	-	-	-	-	-	-	57,153	57,153	-	-	-
Accrued interest payable	-	-	-	15,097	-	-	-	15,097	-	15,097	18,338	-	18,338
Deferred revenue	72,565	-	-	-	-	-	-	72,565	-	72,565	83,563	-	83,563
Current portion bonds/ contracts payable	-	-	-	100,000	-	-	-	100,000	-	100,000	110,000	-	110,000
Vested employees benefits payable	-	-	-	-	1,105,094	-	-	1,105,094	-	1,105,094	805,401	-	805,401
Payable from restricted assets													
Accrued interest payable	-	-	-	5,215	-	-	-	5,215	-	5,215	6,930	-	6,930
Current portion of contracts payable	-	-	-	70,000	-	-	-	70,000	-	70,000	70,000	-	70,000
Long term debt - net current portion													
Revenue bonds payable	-	-	-	230,000	-	-	-	230,000	-	230,000	235,000	-	235,000
Contracts payable	-	-	-	340,000	-	-	295,800	635,800	-	635,800	740,800	-	740,800
Special assessment bonds	-	-	-	20,000	-	-	-	20,000	-	20,000	40,000	-	40,000
General obligation bonds	-	-	-	-	-	-	-	-	950,000	950,000	-	1,000,000	1,000,000
<b>Total liabilities</b>	<b>180,198</b>	<b>112,483</b>	<b>-</b>	<b>1,028,431</b>	<b>1,160,776</b>	<b>-</b>	<b>295,800</b>	<b>2,777,688</b>	<b>1,008,995</b>	<b>3,786,683</b>	<b>2,583,529</b>	<b>1,003,306</b>	<b>3,586,835</b>
Equity and other credits													
Investment in general fixed assets	-	-	-	-	-	2,304,697	-	2,304,697	12,288	2,316,985	2,248,416	12,288	2,260,704
Contributed capital	-	-	-	4,011,941	-	-	-	4,011,941	-	4,011,941	4,327,183	-	4,327,183
Retained earnings													
Reserved - bond reserve funds	-	-	-	56,500	-	-	-	56,500	-	56,500	56,500	-	56,500
Unreserved	-	-	-	9,896,699	-	-	-	9,896,699	-	9,896,699	8,944,175	-	8,944,175
Fund balances													
Reserved	-	46,225	-	-	-	-	-	46,225	-	46,225	-	-	-
Unreserved	1,459,884	1,693,380	384,986	-	-	-	-	3,538,250	576,393	4,114,643	3,210,793	475,272	3,686,065
<b>Total equity and other credits</b>	<b>1,459,884</b>	<b>1,739,605</b>	<b>384,986</b>	<b>13,965,140</b>	<b>-</b>	<b>2,304,697</b>	<b>-</b>	<b>19,854,312</b>	<b>588,681</b>	<b>20,442,993</b>	<b>18,787,067</b>	<b>487,560</b>	<b>19,274,627</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 1,640,082</b>	<b>\$ 1,852,088</b>	<b>\$ 384,986</b>	<b>\$ 14,993,571</b>	<b>\$ 1,160,776</b>	<b>\$ 2,304,697</b>	<b>\$ 295,800</b>	<b>\$ 22,632,000</b>	<b>\$ 1,597,676</b>	<b>\$ 24,229,676</b>	<b>\$ 21,370,596</b>	<b>\$ 1,490,866</b>	<b>\$ 22,861,462</b>

See Accompanying Notes to Financial Statements

**Township of Tittabawassee**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Governmental Fund Types and Discretely Presented Component Unit**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

				Totals 2004			Totals 2003		
	General	Special Revenue	Capital Projects	(Memorandum Only) Primary Government	Component Unit	(Memorandum Only) Reporting Entity	(Memorandum Only) Primary Government	Component Unit	(Memorandum Only) Reporting Entity
Revenues									
Taxes	\$ 231,426	\$ 585,700	\$ -	\$ 817,126	\$ 316,112	\$ 1,133,238	\$ 749,080	\$ 273,938	\$ 1,023,018
Permits	29,697	115,673	-	145,370	-	145,370	136,621	-	136,621
Intergovernmental revenues									
State grants	-	1,085	-	1,085	-	1,085	3,347	-	3,347
State shared revenues	501,258	3,089	-	504,347	-	504,347	538,296	-	538,296
Contributions	-	62,355	-	62,355	270	62,625	750	670	1,420
Charges for services	102,943	362,868	-	465,811	-	465,811	454,276	-	454,276
Interest	63,875	26,047	9,554	99,476	3,868	103,344	134,562	5,508	140,070
Penalties and fines	-	9,440	-	9,440	-	9,440	6,871	-	6,871
Other revenue	49,952	22,629	-	72,581	-	72,581	49,760	1,534	51,294
Net increase (decrease)									
in the fair value of investments	8,313	(1,874)	-	6,439	-	6,439	14,850	-	14,850
Sale of fixed assets	-	29,323	-	29,323	-	29,323	5,256	-	5,256
Total revenues	<u>987,464</u>	<u>1,216,335</u>	<u>9,554</u>	<u>2,213,353</u>	<u>320,250</u>	<u>2,533,603</u>	<u>2,093,669</u>	<u>281,650</u>	<u>2,375,319</u>
Expenditures									
Legislative	11,525	-	-	11,525	-	11,525	13,498	-	13,498
General government	450,497	-	-	450,497	-	450,497	387,008	-	387,008
Public safety	29,468	518,997	-	548,465	-	548,465	495,996	-	495,996
Public works	83,272	305,606	-	388,878	-	388,878	471,510	-	471,510
Recreation	-	84,362	-	84,362	-	84,362	63,181	-	63,181
Building inspection	-	102,577	-	102,577	-	102,577	80,881	-	80,881
Other functions	9,936	-	-	9,936	-	9,936	8,765	-	8,765
General insurance	11,702	-	-	11,702	-	11,702	9,185	-	9,185
Capital outlay	<u>53,656</u>	<u>134,516</u>	<u>43,557</u>	<u>231,729</u>	<u>219,129</u>	<u>450,858</u>	<u>119,501</u>	<u>175,694</u>	<u>295,195</u>
Total expenditures	<u>650,056</u>	<u>1,146,058</u>	<u>43,557</u>	<u>1,839,671</u>	<u>219,129</u>	<u>2,058,800</u>	<u>1,649,525</u>	<u>175,694</u>	<u>1,825,219</u>
Excess of revenues over (under) expenditures	<u>337,408</u>	<u>70,277</u>	<u>(34,003)</u>	<u>373,682</u>	<u>101,121</u>	<u>474,803</u>	<u>444,144</u>	<u>105,956</u>	<u>550,100</u>
Other financing sources (uses)									
Operating transfers in (Note 7)	-	105,400	75,000	180,400	-	180,400	199,200	-	199,200
Operating transfers out (Note 7)	<u>(180,400)</u>	<u>-</u>	<u>-</u>	<u>(180,400)</u>	<u>-</u>	<u>(180,400)</u>	<u>(199,200)</u>	<u>-</u>	<u>(199,200)</u>
Total other financing sources (uses)	<u>(180,400)</u>	<u>105,400</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>157,008</u>	<u>175,677</u>	<u>40,997</u>	<u>373,682</u>	<u>101,121</u>	<u>474,803</u>	<u>444,144</u>	<u>105,956</u>	<u>550,100</u>
Fund balance, April 1	<u>1,302,876</u>	<u>1,563,928</u>	<u>343,989</u>	<u>3,210,793</u>	<u>475,272</u>	<u>3,686,065</u>	<u>2,766,649</u>	<u>369,316</u>	<u>3,135,965</u>
Fund balance, March 31	<u>\$ 1,459,884</u>	<u>\$ 1,739,605</u>	<u>\$ 384,986</u>	<u>\$ 3,584,475</u>	<u>\$ 576,393</u>	<u>\$ 4,160,868</u>	<u>\$ 3,210,793</u>	<u>\$ 475,272</u>	<u>\$ 3,686,065</u>

See Accompanying Notes to Financial Statements

**Township of Tittabawassee**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General, Special Revenue and Capital Projects Funds - Primary Government**  
**For the Fiscal Year Ended March 31, 2004**

	General Fund			Special Revenue Funds			Capital Projects Fund			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues												
Taxes	\$ 241,960	\$ 231,426	\$ (10,534)	\$ 560,490	\$ 585,700	\$ 25,210	\$ -	\$ -	\$ -	\$ 802,450	\$ 817,126	\$ 14,676
Permits	29,700	29,697	(3)	115,435	115,673	238	-	-	-	145,135	145,370	235
Intergovernmental revenues												
State grants	-	-	-	1,100	1,085	(15)	-	-	-	1,100	1,085	(15)
State shared revenues	500,000	501,258	1,258	3,200	3,089	(111)	-	-	-	503,200	504,347	1,147
Contributions	-	-	-	61,510	62,355	845	-	-	-	61,510	62,355	845
Charges for services	99,745	102,943	3,198	354,672	362,868	8,196	-	-	-	454,417	465,811	11,394
Interest	69,000	63,875	(5,125)	28,710	26,047	(2,663)	9,000	9,554	554	106,710	99,476	(7,234)
Penalties and fines	-	-	-	4,700	9,440	4,740	-	-	-	4,700	9,440	4,740
Net increase (decrease) in the fair value of investments	-	8,313	8,313	-	(1,874)	(1,874)	-	-	-	-	6,439	6,439
Other revenue	39,900	49,952	10,052	19,050	22,629	3,579	-	-	-	58,950	72,581	13,631
Sale of fixed assets	-	-	-	30,000	29,323	(677)	-	-	-	30,000	29,323	(677)
Total revenues	<u>980,305</u>	<u>987,464</u>	<u>7,159</u>	<u>1,178,867</u>	<u>1,216,335</u>	<u>37,468</u>	<u>9,000</u>	<u>9,554</u>	<u>554</u>	<u>2,168,172</u>	<u>2,213,353</u>	<u>45,181</u>
Expenditures												
Legislative	12,073	11,525	(548)	-	-	-	-	-	-	12,073	11,525	(548)
General government	482,613	450,497	(32,116)	-	-	-	-	-	-	482,613	450,497	(32,116)
Public safety	30,410	29,468	(942)	509,251	518,997	9,746	-	-	-	539,661	548,465	8,804
Public works	102,004	83,272	(18,732)	352,343	305,606	(46,737)	-	-	-	454,347	388,878	(65,469)
Recreation	-	-	-	94,020	84,362	(9,658)	-	-	-	94,020	84,362	(9,658)
Building inspection	-	-	-	111,022	102,577	(8,445)	-	-	-	111,022	102,577	(8,445)
Other functions	11,200	9,936	(1,264)	-	-	-	-	-	-	11,200	9,936	(1,264)
General insurance	11,500	11,702	202	-	-	-	-	-	-	11,500	11,702	202
Capital outlay	51,840	53,656	1,816	142,235	134,516	(7,719)	30,780	43,557	12,777	224,855	231,729	6,874
Total expenditures	<u>701,640</u>	<u>650,056</u>	<u>(51,584)</u>	<u>1,208,871</u>	<u>1,146,058</u>	<u>(62,813)</u>	<u>30,780</u>	<u>43,557</u>	<u>12,777</u>	<u>1,941,291</u>	<u>1,839,671</u>	<u>(101,620)</u>
Excess of revenues over (under) expenditures	<u>278,665</u>	<u>337,408</u>	<u>58,743</u>	<u>(30,004)</u>	<u>70,277</u>	<u>100,281</u>	<u>(21,780)</u>	<u>(34,003)</u>	<u>(12,223)</u>	<u>226,881</u>	<u>373,682</u>	<u>146,801</u>
Other financing sources (uses)												
Operating transfers in (Note 7)	-	-	-	105,400	105,400	-	75,000	75,000	-	180,400	180,400	-
Operating transfers out (Note 7)	<u>(180,400)</u>	<u>(180,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,400)</u>	<u>(180,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(180,400)</u>	<u>(180,400)</u>	<u>-</u>	<u>105,400</u>	<u>105,400</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	98,265	157,008	58,743	75,396	175,677	100,281	53,220	40,997	(12,223)	226,881	373,682	146,801
Fund balance, April 1	<u>1,302,876</u>	<u>1,302,876</u>	<u>-</u>	<u>1,563,928</u>	<u>1,563,928</u>	<u>-</u>	<u>343,989</u>	<u>343,989</u>	<u>-</u>	<u>3,210,793</u>	<u>3,210,793</u>	<u>-</u>
Fund balance, March 31	<u>\$ 1,401,141</u>	<u>\$ 1,459,884</u>	<u>\$ 58,743</u>	<u>\$ 1,639,324</u>	<u>\$ 1,739,605</u>	<u>\$ 100,281</u>	<u>\$ 397,209</u>	<u>\$ 384,986</u>	<u>\$ (12,223)</u>	<u>\$ 3,437,674</u>	<u>\$ 3,584,475</u>	<u>\$ 146,801</u>

See Accompanying Notes to Financial Statements

**Township of Tittabawassee**  
**Combined Statement of Revenues, Expenses and Changes in Retained Earnings**  
**All Proprietary Fund Types**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	<u>2004</u>	<u>2003</u>
Operating revenues		
Charges for services	\$ 1,604,612	\$ 1,534,897
Connection fees	63,482	82,818
System replacement tap charge	207,922	185,565
Penalties	15,792	15,439
Miscellaneous	10,754	400,515
Hydrant rental	<u>64,547</u>	<u>59,262</u>
Total operating revenues	<u>1,967,109</u>	<u>2,278,496</u>
Operating expenses		
Salaries and wages	214,602	197,914
Employee benefits	111,744	110,429
Supplies	64,796	73,723
Uniforms and cleaning	5,674	5,720
Dues and memberships	8,505	3,989
Administrative charges	38,389	34,652
Professional fees	147,155	102,315
Contracted water hookups	36,414	46,098
Transportation	12,466	15,745
Insurance	15,988	12,859
Public utilities	21,224	23,522
Telephone	8,555	7,621
Water purchases	315,278	314,355
Printing and publishing	147	372
Repairs and maintenance	30,966	30,788
Depreciation	758,094	678,553
Rent	2,400	2,400
Miscellaneous	1,597	2,194
Education and conferences	<u>1,047</u>	<u>1,876</u>
Total operating expenses	<u>1,795,041</u>	<u>1,665,125</u>
Operating income	<u>172,068</u>	<u>613,371</u>
Non-operating revenues (expenses)		
Interest on investments	129,828	173,747
Interest on special assessments	13,205	19,072
Reimbursements	14,577	2,644
Interest on construction funds	-	2,335
Special assessments	363,483	23,242
Net increase (decrease) in the fair value of investments	16,424	12,445
Bond issuance costs	(1,756)	(1,756)
Interest on indebtedness	(69,377)	(65,923)
Paying agent fees	<u>(1,170)</u>	<u>(1,170)</u>
Total non-operating revenues (expenses)	<u>465,214</u>	<u>164,636</u>
Net income	637,282	778,007
Depreciation charged to contributed capital	315,242	242,533
Retained earnings, April 1	<u>9,000,675</u>	<u>7,980,135</u>
Retained earnings, March 31	<u>\$ 9,953,199</u>	<u>\$ 9,000,675</u>

See Accompanying Notes to Financial Statements



**Township of Tittabawassee**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities		
Operating income	\$ 175,891	\$ 215,500
Adjustments to reconcile net operating income to net cash provided by (used for) operating activities		
Depreciation	758,094	678,553
(Increase) decrease in accounts and taxes receivable	42,337	39,371
(Increase) decrease in inventories	(7,238)	(7,233)
(Decrease) increase in due to other funds	(20,601)	43,630
(Decrease) increase in accounts payable	9,444	10,060
(Decrease) increase in accrued payroll	1,903	-
(Increase) decrease in due from other funds	11,609	(43,630)
(Decrease) increase in deferred compensated absences	(169)	(5,242)
(Decrease) increase in deposits held for others	2,200	(280)
Net adjustments	<u>797,579</u>	<u>715,229</u>
Net cash provided by operating activities	<u>973,470</u>	<u>930,729</u>
Cash flows from capital and related financing activities		
Acquisition and construction of fixed assets	(1,225,289)	(602,049)
Principal payments	(140,000)	(140,000)
Interest and fees paid	(73,569)	(74,494)
Reimbursements received	10,754	400,515
Special assessment received	<u>363,483</u>	<u>23,242</u>
Net cash used by capital and related financing activities	<u>(1,064,621)</u>	<u>(392,786)</u>
Cash flows from investment activities		
Purchase of investments	(1,085,000)	(450,000)
Receipts of interest	<u>148,971</u>	<u>195,154</u>
Net cash used for investment activities	<u>(936,029)</u>	<u>(254,846)</u>
Net increase (decrease) in cash and cash equivalents	(1,027,180)	283,097
Cash and cash equivalents, April 1	<u>3,708,261</u>	<u>3,425,164</u>
Cash and cash equivalents, March 31	<u>\$ 2,681,081</u>	<u>\$ 3,708,261</u>
Cash and cash equivalents at end of year consist of		
Cash and cash equivalents	\$ 2,442,540	\$ 3,427,708
Restricted cash and cash equivalents	182,041	224,053
Cash - revenue bond redemption and reserve funds	<u>56,500</u>	<u>56,500</u>
	<u>\$ 2,681,081</u>	<u>\$ 3,708,261</u>

See Accompanying Notes to Financial Statements

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

**NOTE 1 – DESCRIPTION OF TOWNSHIP**

Tittabawassee Township is a predominately rural township located in north central Saginaw County and covers an area of 35.8 square miles. The Township operates under an elected, seven-member Board of Trustees which also includes services to its 7,706 residents in many areas including law enforcement, fire protection, community enrichment and development, refuse collection and human services.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**FINANCIAL REPORTING ENTITY**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Township of Tittabawassee (the primary government) and its component units. The component unit discussed below is included in the Township's reporting entity because of the significance of its operational and financial relationship with the Township.

**COMPONENT UNIT**

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component unit has been included in the financial reporting entity as a discretely presented component unit.

The component unit column in the combined financial statements include the financial data of the Downtown Development Authority Board. This unit is reported in a separate column to emphasize that it is legally separate from the Township.

The members of the governing board of the Downtown Development Authority are appointed by the Township Board. The Downtown

Development Authority's operational and capital budgets are subject to approval or modification by the Township Board. In addition bonded debt issued by the Authority must be approved by the Township Board.

The financial statements of the Downtown Development Authority, which are reported on the fiscal years ended March 31, 2004 and 2003 are included within the general purpose financial statements of the Township.

**FUND ACCOUNTING**

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**GOVERNMENTAL FUNDS**

**GENERAL FUND** - This fund is used to account for all financial resources except those provided for in another fund. Revenues are derived primarily from property taxes and state and other intergovernmental revenues. The General Fund accounts for the general operating expenditures not recorded elsewhere.

**SPECIAL REVENUE FUNDS** - These funds are used to account for specific revenue (other than special assessments, expendable trusts, or major capital projects) derived from State and General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements.

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

**CAPITAL PROJECTS FUNDS** - These funds are used to account for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund operations and special assessments.

**DEBT SERVICE FUNDS** - Debt Service Funds are used to account for accumulation of resources for, and the payment of, general long-term debt principal and interest.

**PROPRIETARY FUNDS**

**ENTERPRISE FUNDS** – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the governing body had decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control and accountability, or other purposes.

**FIDUCIARY FUNDS**

**TRUST AND AGENCY FUNDS** – These funds account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include: (a) Pension Trust Fund; and (b) Agency Funds.

**BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial

resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**BUDGETS AND BUDGETARY ACCOUNTING**

Comparisons to budget are presented for general, special revenue and capital projects funds as required by accounting principles generally accepted in the United States of America. The Township follows specific procedures in establishing the budgetary data reflected in the combined financial statements:

1. Prior to March 31, the Fiscal Officer submits to the Township Board a proposed operating budget for the fiscal year

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

commencing April 1. The operating budget includes proposed expenditures and the means of financing them.

2. The budget is taken under advisement by the Township Board for study and comments. A public hearing is conducted to obtain taxpayer comment.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all funds except Trust and Agency Funds. Revisions and amendments to the budget must be approved by the Board.
5. Budgets for the general, special revenue, and capital projects are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets for Enterprise Funds are adopted on a basis consistent with GAAP except that bond proceeds are treated as other financing sources and bond principal payments are treated as expenditures.
6. Adoption and amendment of all budgets prepared by the Township are governed by Public Act 621. Expenditures may not exceed appropriations by a maximum of more than 15% of total general fund appropriations. The appropriations resolutions are based on the projected expenditures budget of the department heads of the Township. Any amendment of the original budget must meet the requirements of Public Act 621. The Township amended its budget for March 31, 2004.
7. Encumbrances lapse at year end.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Budgets are adopted at the fund level.

#### **ENCUMBRANCES**

Encumbrances for goods or purchased services are documented by purchase orders or contracts and are not reflected as expenditures in the combined financial statements. Generally, amounts reflected as encumbrances at year end are reappropriated by the Township of Tittabawassee Board in the next fiscal year.

#### **USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### **ENTERPRISE FUND FIXED ASSETS**

Property, plant and equipment of the Water and Sewer Funds are stated at cost. Depreciation was provided using the straight-line method calculated over the estimated useful lives of the assets.

The estimated useful lives are as follows:

1. Buildings 20 to 50 years.
2. Mains 20 to 75 years.
3. Equipment 3 to 15 years.

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

**ACCOUNT GROUPS**

GENERAL FIXED ASSETS ACCOUNT GROUP – The general fixed assets account group is maintained for fixed assets of the Township, other than those accounted for in the Proprietary Funds. Public domain assets (“infrastructure” assets, consisting of certain improvements including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting system) are not capitalized with other general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-Term Debt Account Groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payment applicable to principal, determined by using interest rates implicit in the leases, is reported as a reduction of the capitalized obligation in the General Long-Term Debt Account Group.

GENERAL LONG TERM DEBT ACCOUNT GROUP – This group of accounts is established to account for all long-term liabilities of the Township, other than those accounted for in the Proprietary Funds. The long-term liabilities of the Township includes one lease purchase agreement and one contract payable.

**COMPARATIVE DATA**

Comparative total data for the prior year have been presented in the accompanying combined and combining financial statements in order to provide an understanding of changes in the Township’s financial

position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex.

**TOTAL COLUMNS ON COMBINED STATEMENTS**

The total column on the combined statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns are presented for informational purposes only and do not present financial position, results of operations or cash flows, in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**INVENTORIES**

Inventories maintained by the Water Fund are valued at cost using the first-in, first-out method. Inventories of expendable supplies in other funds have not been recorded and the amount of any such inventories is not considered material. The cost value of such inventory was recorded as an expenditure at the time of purchase. The last physical inventory was taken at March 31, 2004.

**CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, short-term investments with a maturity of three months or less when acquired are considered to be cash equivalents. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

**INVESTMENTS**

It is the Township's policy to invest all surplus cash. To facilitate the investment process many of the Township fund's cash is combined in common cash accounts. All funds included in the pool participate in the earnings of the pool in proportion to their average balance therein. Should any of these funds have an average deficit in the pool, they are charged interest accordingly.

The objectives of the Township's investment program are, in order of priority:

1. Safety of invested funds.
2. Maintenance of sufficient liquidity to meet cash flow needs.
3. Attainment of the maximum yield possible consistent with the first two objectives.

*Construction cash accounts.* These accounts represents unexpended proceeds from related bond issues and is to be used principally for completion, and maintenance of the specific special assessment district.

Act 217, PA 1982, authorizes the Township to deposit and invest in:

1. Bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States. This subdivision shall include securities issued or guaranteed by the Government National Mortgage Association.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation, or a credit union which is insured

by the National Credit Union Administration, that are eligible to be a depository of surplus money belonging to the State under Section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146).

3. United States Government or Federal agency obligation repurchase agreements.
4. Banker's acceptances of United States banks.
5. Mutual funds composed of investment vehicles which are legal for direct investment of local units of government in Michigan.
6. Commercial paper rated at the time or purchased within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50 percent of any fund may be invested in commercial paper at any time.

The Township's investments are in accordance with statutory authority.

**RECEIVABLES**

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible amounts have not been provided for because the Township does not consider collection doubtful and feels any uncollectible amounts would be immaterial.

**PROPERTY TAXES**

The Township property tax is levied, and become a lien against the property, each December 1<sup>st</sup> computed on the assessed valuation of property, as equalized by the State, as of the preceding December 31<sup>st</sup>. Tax bills include the Township's own property taxes and taxes

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

billed on behalf of Saginaw County and the school districts within Township boundaries. Summer taxes, for schools, intermediate school district and special education taxes are due July 1<sup>st</sup> and are payable without penalty through September 15. Real property taxes not collected as of March 1 are turned over to Saginaw County for collection, which advances the Township 100% for the delinquent taxes. Collection of delinquent personal taxes remains the responsibility of the Township Treasurer.

The taxable value of real and personal property, located in the Township at December 31, 2002, adjusted for abatements, totals \$194,539,349.

	<u>Millage Rate Used</u>
General operating	0.9016
Police operating	2.2542
Public Safety	0.9559

Property taxes levied in December of each year are recognized as revenue in that fiscal year.

The Township acts as a collection agent for Saginaw County, Delta College, Freeland Community School District and the Bay City Public School District.

#### **RECLASSIFICATIONS**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

#### **CONTRIBUTED CAPITAL**

Contributed capital in the Enterprise Funds resulted from sources outside of the funds prior to April 1, 2002 and is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets is allocated to contributed capital using the straight-line method over the same lives as described above under the heading "Enterprise Fund Fixed Assets".

#### **FISCAL YEAR END**

The Township has adopted a March 31 fiscal year end for all funds.

#### **GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 20**

In accordance with GASB Statement 20, the Township has elected not to apply the FASB statements and interpretations issued after November 30, 1989 to its financial statements.

#### **GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT 34**

The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This new reporting standard will impact the Township's revenue and expenditure recognition; and assets, liabilities and fund equity reporting. The new standard will also require reformatting of the financial statements and restating beginning balances. The Township is required to implement the new reporting model for the fiscal year ending March 31, 2005. Due to the significance of the changes required, it is not possible to present proforma data prior to implementation.

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Financial statement caption:			
Cash and cash equivalents	\$ 3,293,128	\$ 2,668,277	\$ 5,961,405
Investments	-	3,545,969	3,545,969
Restricted:			
Cash and cash equivalents	57,663	124,378	182,041
Investments	-	177,525	177,525
Cash - revenue bond redemption fund	-	13,000	13,000
Cash - revenue bond reserve fund	<u>125,105</u>	<u>43,500</u>	<u>168,605</u>
	<u>\$ 3,475,896</u>	<u>\$ 6,572,649</u>	<u>\$ 10,048,545</u>

Deposits – At March 31, 2004, the carrying amount of the Township's deposits and petty cash was \$3,475,896 and the bank balance was \$3,583,697. Of the bank balance, \$124,034 was covered by Federal Depository Insurance and \$3,459,663 was neither insured nor collateralized.

The Township's investments are categorized below to give an indication of the level of risk assumed by the entity at March 31, 2004. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Township's name. There were no category 2 or 3 investments held at March 31, 2004.

	<u>Category 1</u>	<u>2</u>	<u>Carrying Value</u>
Treasury and bank notes	\$ 2,618,399	\$ -	\$ 2,618,399
Municipal investment funds			2,849,156
Employees Retirement System			
Mutual funds			855,429
Money market accounts			<u>249,665</u>
			<u>\$ 6,572,649</u>

The Township's investments are stated at market value.

**NOTE 4 – REVENUE BOND REQUIREMENTS OF THE WATER FUND**

Under the terms of the Revenue Bond Ordinance, a bond reserve account shall be established for an amount equal to the least of the following: (1) 10% of the original principal amount of the Series 1987 Bonds; (2) the maximum principal and interest requirement on the Series 1987 bonds in the then current or any future years; or (3) an amount equal to 125% of the average annual principal and interest requirements on the Series 1987 Bonds calculated on the date of delivery of 1987 Series Bonds. At March 31, 2004, the account was funded as required.

**NOTE 5 – LONG TERM DEBT**

During the year ended March 31, 2004, the following changes occurred in long-term liabilities:



**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

	Balance April 1,	Additions	Deletions	Balance March 31,		2004	2003
Proprietary funds							
Contracts payable	\$ 585,000	\$ -	\$ 105,000	\$ 480,000			
Revenue bonds	255,000	-	5,000	250,000			
Special assessment	60,000	-	30,000	30,000			
General long-term debt							
Contract payable	306,000	-	10,200	295,800			
Component unit							
General obligation bonds	<u>1,000,000</u>	<u>-</u>	<u>50,000</u>	<u>950,000</u>			
Total	<u>\$ 2,206,000</u>	<u>\$ -</u>	<u>\$ 200,200</u>	<u>\$ 2,005,800</u>			

Revenue bonds

1987 revenue refunding bonds due in annual installments of up to \$ 35,000 through November 1, 2012, 5.65% interest. \$ 250,000 \$ 255,000

Special assessment bonds

1990 special assessment sewer bonds due in annual installments of up to \$ 10,000 through March 1, 2005, 7.0% interest. - 20,000

1996 special assessment sewer bonds due in annual installments of up to \$ 10,000 through March 1, 2009, 6.35% interest. 30,000 40,000

General obligation bonds

1994 Downtown Development bonds due in annual installments of up to \$ 100,000 beginning May 1, 1999 through May 1, 2014, 7.00% to 8.00% interest. 950,000 1,000,000

\$ 2,005,800 \$ 2,206,000

Annual debt service requirements to amortize all debt outstanding as of March 31, 2004, including interest payments of \$690,032 are as follows:

Debt payable at March 31, 2004 and 2003, is comprised of the following issues:

	2004	2003
Contracts payable		
Sanitary Sewer Extension No. 2 project due in one installment of \$ 20,000 and remaining annual installments of \$ 70,000 through June 1, 2007, 7.40% to 7.5% interest.	\$ 210,000	\$ 280,000
Water Supply System Extension No. 2 project due in annual installments of up to \$ 50,000 through May 1, 2010, 7.0% interest.	270,000	305,000
Bishop Tile Drain project due in annual installments of up to \$ 27,000 through November 1, 2018, 5.75% interest.	295,800	306,000

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

Year Ending March 31,	Contracts Payable	Revenue Bonds	Special Assessment Bonds	General Long-Term Debt	General Obligation Bonds	Total
2005	\$ 135,729	\$ 34,125	\$ 11,905	\$ 27,608	\$ 115,000	\$ 324,367
2006	128,082	37,995	6,270	26,982	135,375	334,704
2007	134,875	36,583	5,952	26,343	130,125	333,878
2008	58,750	35,170	5,635	29,024	124,875	253,454
2009	55,250	33,758	5,318	28,225	119,625	242,176
2010	51,750	37,345	-	27,426	138,500	255,021
2011	-	35,620	-	26,628	131,500	193,748
2012	-	38,955	-	29,148	124,500	192,603
2013	-	36,977	-	28,179	117,500	182,656
2014	-	-	-	27,190	110,500	137,690
2015	-	-	-	29,495	103,500	132,995
2016	-	-	-	28,305	-	28,305
2017	-	-	-	27,115	-	27,115
2018	-	-	-	29,240	-	29,240
2019	-	-	-	27,880	-	27,880
Total	<u>\$ 564,436</u>	<u>\$ 326,528</u>	<u>\$ 35,080</u>	<u>\$ 418,788</u>	<u>\$ 1,351,000</u>	<u>\$ 2,695,832</u>

Total interest charged to expense during the year end March 31, 2004 was \$152,921.

**NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables of individual funds at March 31, 2004 were:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Fire Protection Fund	\$ 3,797
General Fund	Police Protection Fund	21,662
General Fund	Trash Collection Fund	18,721
General Fund	Payroll Fund	3,954
General Fund	Water Fund	4,522
General Fund	Sewer Fund	4,470
General Fund	Trust & Agency	176
Sewer Fund	Water Fund	<u>157,802</u>
Total		<u>\$ 215,104</u>

**NOTE 7 – OPERATING TRANSFERS**

Interfund transfers are recorded on the books of the Township's various funds as other financing sources or uses. During the fiscal year ended March 31, 2004, the following interfund transfers occurred:

<u>Fund</u>	<u>Operating Transfer in</u>	<u>Operating Transfer out</u>
General Fund	\$ -	\$ 180,400
Fire Protection Fund	10,000	-
Capital Projects Fund	30,000	-
Park Fund	95,400	-
Road Improvement Revolving Fund	<u>45,000</u>	<u>-</u>
Total	<u>\$ 180,400</u>	<u>\$ 180,400</u>

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

---

**NOTE 8 – EMPLOYEE'S RETIREMENT SYSTEM – DEFINED CONTRIBUTION PLAN**

The Township's Public Employee Retirement System (PERS) is a single-employer PERS that administers the Township's defined contribution plan for its municipal employees. The PERS prepares and distributes separate financial statements as required by state statute but its financial statements are also included in a Trust Fund of the Township's reporting entity. The Township is the only non-employee contributor to the pension plan. All full time employees of the Township are covered by the defined contribution pension plan. As of March 31, 2004, the pension plan's current membership was 18 employees.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and returns earned on investments of those contributions. As established by state statute, all full-time municipal employees of the Township must participate in the pension plan from the date they are hired. Contributions made by employee vest immediately and contributions made by the Township vest after 2 years of full-time employment. An employee that leaves the employment of the Township is entitled to his or her contribution and the Township's contributions if vesting requirements are satisfied, plus interest earnings. Each employee must contribute 3% of his or her gross earnings to the pension plan and may voluntarily contribute an additional 7%.

During the year, the Township's required and actual contributions amounted to \$63,140, which was 10% of its current-year covered payroll. Employees' required and volunteer contributions amounted to \$29,946.

No pension changes occurred during the year that affected the required contributions to be made by the Township or its employees.

The PERS held no securities of the Township or other related parties during the year or as of the close of the fiscal year.

The Township's policy is to fund pension costs representing 8 to 12 percent of the annual salaries of covered employees, as follows:

	<u>Non-Union</u>	<u>Police Union</u>	<u>Union Local</u>
Township contribution rate	8-12%	12%	10%
Employee contribution rate	3%	3%	5%

**POST EMPLOYMENT BENEFITS**

Effective April 1, 2003, in addition to the pension benefits described above, the Township provides post-retirement health insurance coverage for retirees from the police department. The retiree must have attained the age of fifty-five (55) years and completed at least twenty-five (25) years of service.

**NOTE 9 – CLAIMS AND LITIGATION**

The Township is not a defendant in a lawsuit at year end.

**NOTE 10 – RECONCILIATION OF CONTRIBUTED CAPITAL**

The following is a reconciliation of contributed capital in the Enterprise Funds at March 31, 2004.

**Township of Tittabawassee**  
**Notes to Financial Statements**  
**March 31, 2004**

	Sewer Fund	Water Fund	Total
Contributed capital, April 1, 2003	\$ 2,982,596	\$ 1,344,587	\$ 4,327,183
Less amortization	<u>203,602</u>	<u>111,640</u>	<u>315,242</u>
Contributed capital, March 31, 2004	<u>\$ 2,778,994</u>	<u>\$ 1,232,947</u>	<u>\$ 4,011,941</u>

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

As of March 31, 2004, the Township had major construction commitments as follows:

Sewer Fund	<u>\$ 149,000</u>
------------	-------------------

**NOTE 12 – RISK MANAGEMENT**

The Township of Tittabawassee is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers compensation), as well as medical benefits provided to employees. The Township of Tittabawassee has purchased commercial insurance for health, dental, vision, workers compensation, short and long term disability claims, and participates in the Michigan Township's Participating Plan for claims relating to property, liability, wrongful acts, law enforcement, automobile, bond, crime, inland marine, and boiler. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Townships' Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

**NOTE 13 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

P.A. 621 of 1978, Section 18, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary functions, which were in excess of the amount appropriated as follows:

	Activity Appropriation	Expenditures	Budget Variance
Special Revenue Funds			
Police Protection Fund	\$ 533,713	\$ 542,155	\$ 8,442
Capital Projects Fund	30,780	43,557	12,777

**NOTE 14 – SEGMENT INFORMATION**

The following represents additional segment information of the Enterprise Funds not disclosed in the general purpose financial statements as of and for the year ended March 31, 2004.

	Sewer Fund	Water Fund
Operating revenues	\$ 864,922	\$ 1,116,764
Depreciation expense	300,545	457,549
Operating income	35,429	151,216
Net income	307,411	329,871
Property, plant and equipment additions	755,223	947,095
Net working capital	2,735,036	1,656,460
Total assets	8,563,344	6,430,227
Long-term debt	160,000	430,000
Total fund equity	8,291,993	5,673,147

## **GENERAL FUND**

This fund is the general operating fund of the Township. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for here. This fund accounts for the general operating expenditures of the Township, such as General administration, Elections, Property Assessment, Finance, Inspections, Planning, Public Works and all other expenditures not recorded elsewhere.

**Township of Tittabawassee**  
**General Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,136,300	\$ 915,258
Investments	345,188	336,875
Receivables		
Taxes	14,096	12,136
Accounts	6	55
Special assessments - current	72,565	83,563
Accrued interest	2,005	2,005
Due from State - accrued revenue	65,792	72,007
Due from other funds	<u>4,130</u>	<u>3,985</u>
Total current assets	<u>1,640,082</u>	<u>1,425,884</u>
Total assets	<u><u>\$ 1,640,082</u></u>	<u><u>\$ 1,425,884</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 11,168	\$ 5,814
Accrued payroll	16,372	14,597
Compensated absences payable	26,021	18,434
Customers deposits	900	600
Due to other funds	53,172	-
Deferred revenue	<u>72,565</u>	<u>83,563</u>
Total liabilities	<u>180,198</u>	<u>123,008</u>
<b>Fund balance</b>		
Unreserved	<u>1,459,884</u>	<u>1,302,876</u>
Total liabilities and fund balance	<u><u>\$ 1,640,082</u></u>	<u><u>\$ 1,425,884</u></u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Statement of Changes in Fund Balance**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Fund balance, April 1	\$ 1,302,876	\$ 1,150,623
Add: Excess of revenues and other financing sources over expenditures and other financing uses	<u>157,008</u>	<u>152,253</u>
Fund balance, March 31	<u>\$ 1,459,884</u>	<u>\$ 1,302,876</u>

**Township of Tittabawassee**  
**General Fund**  
**Statement of Revenues - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

		2004		2003
	Budget	Actual	Variance	Actual
Taxes				
Property taxes	\$ 180,000	\$ 168,478	\$ (11,522)	\$ 150,329
Trailer fees	1,000	-	(1,000)	-
Interest and penalties - delinquent taxes	150	2,140	1,990	157
Property tax administration fee	60,810	60,808	(2)	57,887
	<u>241,960</u>	<u>231,426</u>	<u>(10,534)</u>	<u>208,373</u>
Permits				
CATV fees	29,700	29,697	(3)	32,717
State shared revenues				
Sales and use tax	500,000	501,258	1,258	535,493
Charges for services				
Late penalties	100	-	(100)	65
Rezoning fees	6,200	5,040	(1,160)	6,015
Zoning Board of Appeals	200	350	150	315
Administration fees	53,745	53,745	-	48,512
Cemetery fees	15,500	14,053	(1,447)	16,772
Street lighting	24,000	29,755	5,755	28,886
	<u>99,745</u>	<u>102,943</u>	<u>3,198</u>	<u>100,565</u>
Interest	69,000	63,875	(5,125)	91,064
Net increase in the fair value of investments	-	8,313	8,313	9,482
Miscellaneous revenues				
Rents	15,900	16,565	665	17,871
Special assessments	12,000	19,281	7,281	14,422
Reimbursements	10,000	11,613	1,613	4,219
Miscellaneous	2,000	2,493	493	1,329
	<u>39,900</u>	<u>49,952</u>	<u>10,052</u>	<u>37,841</u>
Total revenues	<u>980,305</u>	<u>987,464</u>	<u>7,159</u>	<u>1,015,535</u>
Total expenditures and other uses	<u>882,040</u>	<u>830,456</u>	<u>(51,584)</u>	<u>863,282</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 98,265</u>	<u>\$ 157,008</u>	<u>\$ 58,743</u>	<u>\$ 152,253</u>



**Township of Tittabawassee**  
**General Fund**  
**Statement of Expenditures - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	2004			2003
	Budget	Actual	Variance	Actual
General government				
Administrative services	\$ 190,493	\$ 185,460	\$ (5,033)	\$ 151,633
Township Trustees	12,073	11,525	(548)	13,498
Township Supervisor	14,140	14,153	13	11,893
Fiscal services	80,731	78,858	(1,873)	70,447
Elections	3,900	480	(3,420)	4,559
Assessor	40,838	42,241	1,403	38,393
Clerk	47,286	34,472	(12,814)	32,150
Board of Review	4,153	3,941	(212)	1,740
Treasurer	42,931	41,317	(1,614)	26,628
Township property	24,483	20,975	(3,508)	22,286
Community hall	14,852	14,945	93	11,033
Cemetery	18,806	13,655	(5,151)	16,246
	<u>494,686</u>	<u>462,022</u>	<u>(32,664)</u>	<u>400,506</u>
Public safety				
Zoning Board of Appeals	2,592	1,936	(656)	600
Planning Commission	27,818	27,532	(286)	34,240
	<u>30,410</u>	<u>29,468</u>	<u>(942)</u>	<u>34,840</u>
Public works				
Township at large maintenance	12,004	7,273	(4,731)	4,632
Storm water management	20,000	5,470	(14,530)	11,308
Drains at large	10,500	15,962	5,462	11,424
Street lighting	25,000	29,871	4,871	31,714
Roads and bridges	31,500	21,216	(10,284)	115,144
Sidewalks	500	325	(175)	185
Decorations	2,500	3,155	655	1,829
	<u>102,004</u>	<u>83,272</u>	<u>(18,732)</u>	<u>176,236</u>

**Township of Tittabawassee**  
**General Fund**  
**Statement of Expenditures - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**  
**(Continued)**

	2004			2003
	Budget	Actual	Variance	Actual
Other functions				
Community development	\$ 1,700	\$ 1,400	\$ (300)	\$ 1,400
Contingencies	1,000	-	(1,000)	1,000
Miscellaneous	500	300	(200)	-
Township newsletter	7,500	7,490	(10)	6,074
Tax chargebacks	500	746	246	291
	<u>11,200</u>	<u>9,936</u>	<u>(1,264)</u>	<u>8,765</u>
General insurance				
Liability insurance	<u>11,500</u>	<u>11,702</u>	<u>202</u>	<u>9,185</u>
Capital outlay				
3 computer/networking	4,000	10,108	6,108	250
Office remodel	-	1,600	1,600	-
Copy machine	-	-	-	8,893
Community Hall parking lot	17,000	17,000	-	-
Bond principal payment	13,600	10,200	(3,400)	10,200
Interest expense	17,000	14,544	(2,456)	15,003
Paying agent fees	240	204	(36)	204
	<u>51,840</u>	<u>53,656</u>	<u>1,816</u>	<u>34,550</u>
Total expenditures	<u>701,640</u>	<u>650,056</u>	<u>(51,584)</u>	<u>664,082</u>
Other uses				
Operating transfer out				
Fire Protection Fund	10,000	10,000	-	10,000
Capital Projects Fund	75,000	75,000	-	75,000
Park Fund	95,400	95,400	-	114,200
	<u>180,400</u>	<u>180,400</u>	<u>-</u>	<u>199,200</u>
Total expenditures and other uses	<u>\$ 882,040</u>	<u>\$ 830,456</u>	<u>\$ (51,584)</u>	<u>\$ 863,282</u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Administrative services		
Salaries	\$ 130,101	\$ 102,529
Employee benefits	36,802	31,115
Supplies	4,109	2,928
Postage	538	463
Dues and memberships	930	893
Legal fees	1,861	744
Contractual services	1,487	2,994
Transportation	211	767
Printing and publishing	130	827
Telephone	6,678	6,765
Equipment maintenance	232	441
Education and conferences	1,640	925
Miscellaneous	<u>741</u>	<u>242</u>
	<u>185,460</u>	<u>151,633</u>
Township trustees		
Fees and per diems	9,590	10,140
Employee benefits	734	776
Education and conferences	1,005	2,582
Miscellaneous	<u>196</u>	<u>-</u>
	<u>11,525</u>	<u>13,498</u>
Township supervisor		
Salary	11,600	9,435
Employee benefits	2,024	1,719
Education and conferences	<u>529</u>	<u>739</u>
	<u>14,153</u>	<u>11,893</u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Fiscal services		
Salaries	\$ 50,427	\$ 45,541
Employee benefits	21,960	19,056
Supplies	4,526	3,677
Postage	797	1,270
Dues and memberships	135	274
Transportation	-	90
Equipment maintenance	110	299
Education and conferences	735	183
Miscellaneous	<u>168</u>	<u>57</u>
	<u>78,858</u>	<u>70,447</u>
Elections		
Fees and per diems	-	3,246
Office supplies	-	962
Equipment repairs	480	347
Miscellaneous	<u>-</u>	<u>4</u>
	<u>480</u>	<u>4,559</u>
Assessing		
Salaries	5	-
Employee benefits	1,582	1,134
Office supplies	3,280	692
Postage	1,565	1,267
Contractual services	35,617	35,125
Telephone	148	75
Miscellaneous	<u>44</u>	<u>100</u>
	<u>42,241</u>	<u>38,393</u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Clerk		
Salaries	\$ 10,212	\$ 8,385
Clerical salaries	8,762	9,072
Employee benefits	6,100	5,581
Supplies	1,439	225
Postage	234	1,534
Dues and memberships	3,829	3,440
Audit fees	1,736	1,625
Transportation	33	136
Printing and publishing	547	1,123
Equipment repairs	-	192
Education and conferences	1,565	837
Miscellaneous	<u>15</u>	<u>-</u>
	<u>34,472</u>	<u>32,150</u>
Board of review		
Fees and per diems	3,330	700
Employee benefits	255	54
Legal notices	356	718
Education and conferences	-	200
Miscellaneous	<u>-</u>	<u>68</u>
	<u>3,941</u>	<u>1,740</u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Treasurer		
Salaries	\$ 10,800	\$ 7,835
Clerical salaries	9,832	3,504
Employee benefits	3,339	2,162
Supplies	4,885	3,076
Tax roll preparation	11,391	8,491
Transportation	26	10
Miscellaneous	444	181
Education and conferences	<u>600</u>	<u>1,369</u>
	<u>41,317</u>	<u>26,628</u>
 Township property		
Salaries	1,540	3,827
Employee benefits	118	693
Supplies	10	-
Utilities	4,273	4,308
Building and grounds maintenance	15,034	12,577
Equipment maintenance	<u>-</u>	<u>881</u>
	<u>20,975</u>	<u>22,286</u>
 Community hall		
Salaries	6,113	5,290
Employee benefits	468	505
Utilities	4,315	4,027
Telephone	646	764
Building and grounds maintenance	<u>3,403</u>	<u>447</u>
	<u>14,945</u>	<u>11,033</u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Cemeteries		
Salaries	\$ 5,091	\$ 6,996
Employee benefits	641	917
Supplies	1,652	765
Building and grounds maintenance	5,623	7,483
Equipment repairs	<u>648</u>	<u>85</u>
	<u>13,655</u>	<u>16,246</u>
 Zoning Board of Appeals		
Fees and per diems	1,125	250
Employee benefits	86	19
Consultant fees	679	-
Printing and publishing notices	46	-
Miscellaneous	<u>-</u>	<u>331</u>
	<u>1,936</u>	<u>600</u>
 Planning commission		
Fees and per diems	2,525	3,940
Employee benefits	193	301
Office supplies	234	309
Dues and memberships	1,660	550
Consultant fees	18,450	18,539
Legal fees	576	4,365
Printing and publishing	1,247	5,951
Miscellaneous	46	285
Education and conferences	250	-
Master plan expenditures	<u>2,351</u>	<u>-</u>
	<u>27,532</u>	<u>34,240</u>

**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Public works		
Salaries	\$ 3,847	\$ 2,263
Employee benefits	294	323
Supplies	25	-
Transportation	940	701
Storm water management	5,470	11,308
Township at large maintenance	1,625	42
Drains at large	15,962	11,424
Street lighting	29,871	31,714
Vehicle maintenance	542	1,303
Road and bridges	21,216	115,144
Sidewalks	325	185
Decorations	<u>3,155</u>	<u>1,829</u>
	<u>83,272</u>	<u>176,236</u>
Other functions		
Community development	1,400	1,400
Contingencies	-	1,000
Miscellaneous	300	-
Township newsletter	7,490	6,074
Tax chargebacks	<u>746</u>	<u>291</u>
	<u>9,936</u>	<u>8,765</u>
General insurance		
Liability insurance	<u>11,702</u>	<u>9,185</u>



**Township of Tittabawassee**  
**General Fund**  
**Comparative Detail Analysis of Expenditures**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Capital outlay		
3 computer/networking	\$ 10,108	\$ 250
Office remodel	1,600	-
Copy machine	-	8,893
Community Hall parking lot	17,000	-
Bond principal payment	10,200	10,200
Interest expense	14,544	15,003
Paying agent fees	<u>204</u>	<u>204</u>
	<u>53,656</u>	<u>34,550</u>
Total expenditures	<u>650,056</u>	<u>664,082</u>
Operating transfers out		
Fire Protection Fund	10,000	10,000
Capital Projects Fund	75,000	75,000
Park Fund	<u>95,400</u>	<u>114,200</u>
	<u>180,400</u>	<u>199,200</u>
Total expenditures and other uses	<u><u>\$ 830,456</u></u>	<u><u>\$ 863,282</u></u>

This page intentionally left blank

## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

Fire Protection Fund – Accounts for the operation of the Fire Department. Financing is primarily provided by specific annual Public Safety Tax Milage and by Operating transfer from the General Fund.

Police Protection Fund – Accounts for the operation of the Police Department. Financing is primarily provided by a specific annual property tax levy and Public Safety Tax Milage.

Park Fund – Accounts for the operation of the Parks. Financing is primarily provided by operating transfers from the General Fund and private contributions.

Trash Fund – Accounts for special assessments which are levied annually to owners of single, duplex and apartment dwellings to finance garbage and rubbish collection.

Building Inspection Fund – Accounts for building permit fees and related expenditures.

**Township of Tittabawassee**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

	<u>Fire Protection</u>	<u>Police Protection</u>	<u>Park</u>	<u>Trash</u>	<u>Building Inspection</u>	<u>Totals 2004</u>	<u>2003</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 134,198	\$ 650,156	\$ 115,270	\$ 513,483	\$ 67,333	\$ 1,480,440	\$ 1,448,754
Investments	-	251,594	-	-	-	251,594	178,468
Receivables							
Taxes	4,062	23,219	-	19,916	-	47,197	44,181
Accounts	3,592	769	-	26	-	4,387	1,823
Due from other funds	3,797	21,662	-	18,721	-	44,180	-
Prepaid expenses	-	-	-	24,290	-	24,290	24,290
Total assets	<u>\$ 145,649</u>	<u>\$ 947,400</u>	<u>\$ 115,270</u>	<u>\$ 576,436</u>	<u>\$ 67,333</u>	<u>\$ 1,852,088</u>	<u>\$ 1,697,516</u>
<b>Liabilities and Fund Balance</b>							
<b>Liabilities</b>							
Customers deposits	\$ -	\$ -	\$ 1,650	\$ -	\$ -	\$ 1,650	\$ 975
Accounts payable	2,721	9,033	173	41,206	2,675	55,808	46,217
Accrued payroll	-	15,091	481	-	4,852	20,424	14,147
Compensated absences payable	-	34,601	-	-	-	34,601	72,249
Total liabilities	2,721	58,725	2,304	41,206	7,527	112,483	133,588
<b>Fund balance</b>							
Reserved	-	-	46,225	-	-	46,225	-
Unreserved	142,928	888,675	66,741	535,230	59,806	1,693,380	1,563,928
Total fund balance	142,928	888,675	112,966	535,230	59,806	1,739,605	1,563,928
Total liabilities and fund balance	<u>\$ 145,649</u>	<u>\$ 947,400</u>	<u>\$ 115,270</u>	<u>\$ 576,436</u>	<u>\$ 67,333</u>	<u>\$ 1,852,088</u>	<u>\$ 1,697,516</u>

**Township of Tittabawassee**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	Fire Protection	Police Protection	Park	Trash	Building Inspection	Totals	
						2004	2003
Revenues							
Taxes	\$ 87,073	\$ 498,627	\$ -	\$ -	\$ -	\$ 585,700	\$ 540,707
Intergovernmental revenues							
State grants	-	1,085	-	-	-	1,085	3,347
State shared revenues	867	2,222	-	-	-	3,089	2,803
Contributions	1,350	-	61,005	-	-	62,355	750
Charges for services	7,524	-	18,785	336,559	-	362,868	353,711
Interest	1,157	23,839	6	1,045	-	26,047	30,463
Penalties and fines	-	9,440	-	-	-	9,440	6,871
Permits	-	-	-	-	115,673	115,673	103,904
Recycling rebate	-	-	-	3,582	-	3,582	655
Reimbursements	-	1,666	-	6	-	1,672	451
Net increase (decrease) in the fair value of investments	-	(1,874)	-	-	-	(1,874)	5,368
Miscellaneous	6,724	10,155	484	12	-	17,375	10,813
Sale of fixed assets	-	29,323	-	-	-	29,323	5,256
Total revenues	<u>104,695</u>	<u>574,483</u>	<u>80,280</u>	<u>341,204</u>	<u>115,673</u>	<u>1,216,335</u>	<u>1,065,099</u>
Expenditures							
Public safety	78,413	440,584	-	-	-	518,997	438,137
Public works	-	-	-	305,606	-	305,606	295,274
Recreation and culture	-	-	84,362	-	-	84,362	63,181
Building inspection	-	-	-	-	102,577	102,577	80,881
Capital outlay	-	101,571	32,945	-	-	134,516	51,283
Total expenditures	<u>78,413</u>	<u>542,155</u>	<u>117,307</u>	<u>305,606</u>	<u>102,577</u>	<u>1,146,058</u>	<u>928,756</u>
Excess of revenues over (under) expenditures	<u>26,282</u>	<u>32,328</u>	<u>(37,027)</u>	<u>35,598</u>	<u>13,096</u>	<u>70,277</u>	<u>136,343</u>
Other financing sources							
Operating transfer in	<u>10,000</u>	<u>-</u>	<u>95,400</u>	<u>-</u>	<u>-</u>	<u>105,400</u>	<u>124,200</u>
Excess of revenue and other financing sources over expenditures	<u>36,282</u>	<u>32,328</u>	<u>58,373</u>	<u>35,598</u>	<u>13,096</u>	<u>175,677</u>	<u>260,543</u>
Fund balance, April 1	<u>106,646</u>	<u>856,347</u>	<u>54,593</u>	<u>499,632</u>	<u>46,710</u>	<u>1,563,928</u>	<u>1,303,385</u>
Fund balance, March 31	<u>\$ 142,928</u>	<u>\$ 888,675</u>	<u>\$ 112,966</u>	<u>\$ 535,230</u>	<u>\$ 59,806</u>	<u>\$ 1,739,605</u>	<u>\$ 1,563,928</u>

**Township of Tittabawassee**  
**Fire Protection Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Assets		
Cash and cash equivalents	\$ 134,198	\$ 102,658
Taxes receivable	4,062	3,798
Accounts receivable	3,592	630
Due from other funds	<u>3,797</u>	<u>-</u>
Total assets	<u>\$ 145,649</u>	<u>\$ 107,086</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	<u>\$ 2,721</u>	<u>\$ 440</u>
Fund balance		
Unreserved	<u>142,928</u>	<u>106,646</u>
Total liabilities and fund balance	<u>\$ 145,649</u>	<u>\$ 107,086</u>

**Township of Tittabawassee**  
**Fire Protection Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	2004			2003
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 83,275	\$ 87,073	\$ 3,798	\$ 80,378
State - prison fire protection	1,000	867	(133)	666
Fire Department services	7,525	7,524	(1)	1,887
Interest	1,300	1,157	(143)	1,354
Donations	500	1,350	850	550
Miscellaneous	-	724	724	105
DDA - miscellaneous payment	6,000	6,000	-	4,250
Total revenues	99,600	104,695	5,095	89,190
Expenditures				
Salaries	10,000	10,898	898	10,000
Fringe benefits	6,765	6,298	(467)	6,404
Supplies	9,450	7,969	(1,481)	7,334
Dues and memberships	1,200	866	(334)	986
Audit fees	520	496	(24)	520
Legal fees	2,200	1,985	(215)	3,756
Administrative charges	2,303	2,303	-	2,079
Transportation	1,900	566	(1,334)	1,773
Vehicle maintenance	15,000	14,839	(161)	4,752
Contingencies	500	-	(500)	-
Liability insurance	14,000	13,704	(296)	11,022
Utilities	3,800	3,619	(181)	4,412
Telephone	1,950	3,337	1,387	2,023
Communication - pagers	2,700	3,383	683	3,104
Building, grounds and maintenance	1,250	992	(258)	1,057
Equipment repairs	1,250	1,259	9	1,251
Radio maintenance	500	1,389	889	529
Miscellaneous	500	360	(140)	1,341
Education and conferences	1,500	2,796	1,296	1,286
Tax chargebacks	50	-	(50)	-
Protective clothing and equipment	3,200	1,354	(1,846)	3,250
Total expenditures	80,538	78,413	(2,125)	66,879
Excess of revenues over expenditures	19,062	26,282	7,220	22,311
Other financing sources				
Operating transfer in	10,000	10,000	-	10,000
Excess of revenue and other financing sources over expenditures	29,062	36,282	7,220	32,311
Fund balance, April 1	106,646	106,646	-	74,335
Fund balance, March 31	\$ 135,708	\$ 142,928	\$ 7,220	\$ 106,646

**Township of Tittabawassee**  
**Police Protection Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 650,156	\$ 740,213
Investments	251,594	178,468
Receivables		
Taxes	23,219	21,662
Accounts	769	456
Due from other funds	<u>21,662</u>	<u>-</u>
Total assets	<u>\$ 947,400</u>	<u>\$ 940,799</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,033	\$ 2,022
Accrued payroll	15,091	10,181
Compensated absences payable	<u>34,601</u>	<u>72,249</u>
Total liabilities	<u>58,725</u>	<u>84,452</u>
<b>Fund balance</b>		
Unreserved	<u>888,675</u>	<u>856,347</u>
Total liabilities and fund balance	<u>\$ 947,400</u>	<u>\$ 940,799</u>



**Township of Tittabawassee**  
**Police Protection Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	2004			2003
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ 477,215	\$ 498,627	\$ 21,412	\$ 460,329
Penalties and interest on taxes	50	-	(50)	-
Liquor inspection fees	2,200	2,222	22	2,137
Ordinance fines	4,600	9,440	4,840	6,846
State grant	1,100	1,085	(15)	1,078
Interest	23,400	23,839	439	27,168
Sale of fixed assets	30,000	29,323	(677)	5,256
Reimbursements	250	1,666	1,416	451
Miscellaneous	9,700	10,155	455	8,491
Net increase (decrease) in the fair value of investments	-	(1,874)	(1,874)	5,368
Total revenues	548,515	574,483	25,968	517,124
Expenditures				
Salaries	285,735	297,632	11,897	241,937
Employee benefits	70,691	78,018	7,327	70,718
Supplies	6,500	7,453	953	4,894
Uniforms and cleaning	2,500	2,089	(411)	1,705
Dues and memberships	125	185	60	145
Audit fees	520	576	56	520
Legal fees	3,100	2,377	(723)	4,441
Administrative charges	6,142	6,142	-	5,544
Transportation	17,000	10,778	(6,222)	11,178
Contingencies	1,000	40	(960)	-
Printing and publishing notices	300	97	(203)	16
Insurance	15,500	17,237	1,737	14,054
Public utilities	3,600	4,639	1,039	4,185
Telephones, car phones and pagers	3,350	3,939	589	3,691
Building and grounds maintenance	2,150	888	(1,262)	4,074
Equipment repairs and maintenance	7,000	5,931	(1,069)	1,950
Miscellaneous	500	217	(283)	307
Education and conferences	2,500	2,346	(154)	1,899
Informant money	500	-	(500)	-
Vehicle purchases	85,000	84,577	(423)	23,019
Capital outlay	20,000	16,994	(3,006)	-
Total expenditures	533,713	542,155	8,442	394,277
Excess of revenues over expenditures	14,802	32,328	17,526	122,847
Fund balance, April 1	856,347	856,347	-	733,500
Fund balance, March 31	\$ 871,149	\$ 888,675	\$ 17,526	\$ 856,347

**Township of Tittabawassee**  
**Park Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Assets		
Cash	<u>\$ 115,270</u>	<u>\$ 56,146</u>
Liabilities and Fund Balance		
Liabilities		
Customers' deposits	\$ 1,650	\$ 975
Accounts payable	173	37
Accrued payroll	<u>481</u>	<u>541</u>
Total liabilities	2,304	1,553
Fund balance		
Reserved for playground equipment	46,225	-
Unreserved	<u>66,741</u>	<u>54,593</u>
Total fund balance	<u>112,966</u>	<u>54,593</u>
Total liabilities and fund balance	<u>\$ 115,270</u>	<u>\$ 56,146</u>

**Township of Tittabawassee**  
**Park Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	Budget	2004 Actual	Variance	2003 Actual
Revenues				
Contributions	\$ 61,010	\$ 61,005	\$ (5)	\$ -
Charges for services				
Rents	17,900	17,685	(215)	19,635
Bandshell programs	2,500	1,100	(1,400)	2,250
Interest	10	6	(4)	11
Other revenue				
Grants	-	-	-	2,269
Miscellaneous	100	484	384	5
Total revenues	<u>81,520</u>	<u>80,280</u>	<u>(1,240)</u>	<u>24,170</u>
Expenditures				
Salaries	27,200	21,392	(5,808)	20,755
Employee benefits	3,142	2,155	(987)	2,372
Supplies	4,350	2,810	(1,540)	1,692
Community development	3,500	4,843	1,343	-
Dues and memberships	200	-	(200)	-
Audit fees	200	285	85	195
Administrative charges	2,303	2,303	-	2,079
Professional services	-	1,512	1,512	256
Transportation	900	461	(439)	52
Bandshell programs	8,500	9,833	1,333	5,850
Insurance	620	571	(49)	459
Utilities	3,600	4,868	1,268	4,612
Telephone	750	705	(45)	686
Building and grounds maintenance	35,955	31,756	(4,199)	23,916
Repairs and maintenance	1,200	383	(817)	208
Miscellaneous	600	485	(115)	49
Property development/capital outlay	37,235	32,945	(4,290)	28,264
Contingencies	1,000	-	(1,000)	-
Total expenditures	<u>131,255</u>	<u>117,307</u>	<u>(13,948)</u>	<u>91,445</u>
Excess of revenues over (under) expenditures	(49,735)	(37,027)	12,708	(67,275)
Other financing sources				
Operating transfer in	<u>95,400</u>	<u>95,400</u>	<u>-</u>	<u>114,200</u>
Excess of revenue and other financing sources over expenditures	45,665	58,373	12,708	46,925
Fund balance, April 1	<u>54,593</u>	<u>54,593</u>	<u>-</u>	<u>7,668</u>
Fund balance, March 31	<u>\$ 100,258</u>	<u>\$ 112,966</u>	<u>\$ 12,708</u>	<u>\$ 54,593</u>

**Township of Tittabawassee**  
**Trash Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Assets		
Cash and cash equivalents	\$ 513,483	\$ 497,113
Receivables		
Taxes	19,916	18,721
Account	26	244
Due from other fund	18,721	-
Prepaid expenses	<u>24,290</u>	<u>24,290</u>
Total assets	<u>\$ 576,436</u>	<u>\$ 540,368</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 41,206	\$ 40,736
Fund balance		
Unreserved	<u>535,230</u>	<u>499,632</u>
Total liabilities and fund balance	<u>\$ 576,436</u>	<u>\$ 540,368</u>

**Township of Tittabawassee**  
**Trash Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

		2004		2003
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Fees	\$ 326,747	\$ 336,559	\$ 9,812	\$ 326,119
Late penalties	50	-	(50)	25
Interest	4,000	1,045	(2,955)	1,930
Recycling rebate	500	3,582	3,082	655
Reimbursements	-	6	6	-
Miscellaneous revenue	<u>2,500</u>	<u>12</u>	<u>(2,488)</u>	<u>1,982</u>
Total revenues	<u>333,797</u>	<u>341,204</u>	<u>7,407</u>	<u>330,711</u>
Expenditures				
Audit fees	75	68	(7)	65
Administrative charges	768	768	-	693
Trash removal service	164,500	125,134	(39,366)	120,900
Recycling service	65,000	73,239	8,239	69,067
Disposal service	61,000	52,703	(8,297)	49,448
Yard waste collection service	43,000	40,343	(2,657)	38,727
Compost/yard waste disposal	10,000	7,605	(2,395)	7,462
Professional service	7,200	5,024	(2,176)	8,252
Recycle bins	<u>800</u>	<u>722</u>	<u>(78)</u>	<u>660</u>
Total expenditures	<u>352,343</u>	<u>305,606</u>	<u>(46,737)</u>	<u>295,274</u>
Excess of revenues over (under) expenditures	(18,546)	35,598	54,144	35,437
Fund balance, April 1	<u>499,632</u>	<u>499,632</u>	<u>-</u>	<u>464,195</u>
Fund balance, March 31	<u>\$ 481,086</u>	<u>\$ 535,230</u>	<u>\$ 54,144</u>	<u>\$ 499,632</u>

**Township of Tittabawassee**  
**Building Inspection Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Assets		
Cash and cash equivalents	\$ 67,333	\$ 52,624
Accounts receivable	<u>-</u>	<u>493</u>
Total assets	<u>\$ 67,333</u>	<u>\$ 53,117</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 2,675	\$ 2,982
Accrued payroll	<u>4,852</u>	<u>3,425</u>
Total liabilities	7,527	6,407
Fund balance		
Unreserved	<u>59,806</u>	<u>46,710</u>
Total liabilities and fund balance	<u>\$ 67,333</u>	<u>\$ 53,117</u>

**Township of Tittabawassee**  
**Building Inspection Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Construction permits	\$ 47,610	\$ 47,607	\$ (3)	\$ 46,028
Mechanical permits	25,700	25,695	(5)	21,958
Plumbing permits	15,900	15,893	(7)	13,456
Electrical permits	25,225	25,223	(2)	21,553
Sign permits	<u>1,000</u>	<u>1,255</u>	<u>255</u>	<u>909</u>
Total revenues	<u>115,435</u>	<u>115,673</u>	<u>238</u>	<u>103,904</u>
Expenditures				
Salaries	47,500	45,197	(2,303)	22,104
Employee benefits	2,872	3,457	585	1,687
Supplies	1,300	1,153	(147)	1,224
Dues and membership	200	147	(53)	187
Legal fees	5,000	17,266	12,266	11,821
Mechanical/plumbing inspection	17,000	22,241	5,241	17,859
Building inspections	31,000	9,618	(21,382)	22,795
Transportation	1,800	825	(975)	1,855
Telephone	1,500	1,513	13	259
Equipment repairs/replacement	2,000	-	(2,000)	-
Miscellaneous	100	-	(100)	137
Education and conferences	<u>750</u>	<u>1,160</u>	<u>410</u>	<u>953</u>
Total expenditures	<u>111,022</u>	<u>102,577</u>	<u>(8,445)</u>	<u>80,881</u>
Excess of revenues over expenditures	4,413	13,096	8,683	23,023
Fund balance, April 1	<u>46,710</u>	<u>46,710</u>	<u>-</u>	<u>23,687</u>
Fund balance, March 31	<u>\$ 51,123</u>	<u>\$ 59,806</u>	<u>\$ 8,683</u>	<u>\$ 46,710</u>

This page intentionally left blank



## **CAPITAL PROJECTS FUND**

This fund was established to account for major capital expenditures not financed by Enterprise Funds (Water and Sewer Funds). The funding is through operating transfers from the General Fund.

**Township of Tittabawassee**  
**Capital Projects Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Assets		
Cash and cash equivalents	<u>\$ 384,986</u>	<u>\$ 343,989</u>
Fund Balance		
Fund balance Unreserved	<u>\$ 384,986</u>	<u>\$ 343,989</u>

**Township of Tittabawassee**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

---

	<u>2004</u>			<u>2003</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Interest	\$ 9,000	\$ 9,554	\$ 554	\$ 13,035
Expenditures				
Roads	<u>30,780</u>	<u>43,557</u>	<u>12,777</u>	<u>56,687</u>
Excess of revenues over (under) expenditures	(21,780)	(34,003)	(12,223)	(43,652)
Other financing sources				
Operating transfer in	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Excess of revenue and other financing sources over (under) expenditures	53,220	40,997	(12,223)	31,348
Fund balance, April 1	<u>343,989</u>	<u>343,989</u>	<u>-</u>	<u>312,641</u>
Fund balance, March 31	<u>\$ 397,209</u>	<u>\$ 384,986</u>	<u>\$ (12,223)</u>	<u>\$ 343,989</u>

This page intentionally left blank

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Water Fund – This fund is used to account for the purchase of water from the City of Saginaw, the operation of the Township's water distribution system, and the construction of additions and improvements to the system. Also accounted for in this fund is the payment of principal and interest on bonds issued to finance the construction projects undertaken by the Water Fund.

Sewer Fund – This fund is used to account for the operation and maintenance of a waste water treatment plant, the distribution system and the construction of additions and improvements to the system. Also accounted for in this fund is the payment of principal and interest on bonds issued to finance the construction projects undertaken by the Sewer Fund.

**Township of Tittabawassee**  
**Enterprise Funds**  
**Combining Balance Sheet**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

	Enterprise Funds		Totals	
	Water	Sewer	2004	2003
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 1,210,053	\$ 1,232,487	\$ 2,442,540	\$ 3,427,708
Investments	459,063	1,385,030	1,844,093	746,944
Receivables				
Interest	2,154	1,788	3,942	1,788
Taxes	4,248	624	4,872	7,247
Accounts	256,070	32,571	288,641	283,189
Special assessments - current	-	31,615	31,615	45,702
Due from other funds	4,522	162,272	166,794	178,403
Inventory	47,430	-	47,430	48,284
Total current assets	1,983,540	2,846,387	4,829,927	4,739,265
Restricted assets				
Cash and cash equivalents	-	182,041	182,041	224,053
Investments	-	177,525	177,525	173,250
Receivables				
Taxes	-	697	697	1,745
Interest	-	1,031	1,031	1,031
Special assessments	-	49,642	49,642	79,921
Revenue bond redemption fund (Note 4)	13,000	-	13,000	13,000
Revenue bond reserve fund (Note 4)	43,500	-	43,500	43,500
Total restricted assets	56,500	410,936	467,436	536,500
Other assets				
Bond discount	4,594	2,582	7,176	9,110
Bond issuance costs	13,158	-	13,158	14,914
Total other assets	17,752	2,582	20,334	24,024
Property and equipment				
Property, plant and equipment	6,880,923	11,041,995	17,922,918	16,697,628
Less accumulated depreciation	(2,508,488)	(5,738,556)	(8,247,044)	(7,488,949)
Net property and equipment	4,372,435	5,303,439	9,675,874	9,208,679
Total assets	\$ 6,430,227	\$ 8,563,344	\$ 14,993,571	\$ 14,508,468

**Township of Tittabawassee**  
**Enterprise Funds**  
**Combining Balance Sheet**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

	Enterprise Funds		Totals	
	Water	Sewer	2004	2003
Liabilities and Fund Equity				
Current liabilities payable from current assets				
Accounts payable	\$ 36,526	\$ 11,151	\$ 47,677	\$ 38,233
Accrued payroll	4,429	5,923	10,352	8,449
Compensated absences	8,934	8,903	17,837	18,006
Deposits held for others - renters	14,451	-	14,451	12,251
Due to other funds	157,802	-	157,802	178,403
Accrued interest payable	14,938	159	15,097	18,338
Current portion bonds/contracts payable	90,000	10,000	100,000	110,000
Total current liabilities payable from current assets	327,080	36,136	363,216	383,680
Current liabilities payable from restricted assets				
Accrued interest payable	-	5,215	5,215	6,930
Current portion of contract payable	-	70,000	70,000	70,000
Total current liabilities payable from restricted assets	-	75,215	75,215	76,930
Long-term debt - net current portion				
Revenue bonds payable	230,000	-	230,000	235,000
Contracts payable - Saginaw County	200,000	140,000	340,000	445,000
Special assessment bonds	-	20,000	20,000	40,000
Total long-term debt	430,000	160,000	590,000	720,000
Total liabilities	757,080	271,351	1,028,431	1,180,610
Fund equity				
Contributed capital	1,232,947	2,778,994	4,011,941	4,327,183
Retained earnings				
Reserved - bond reserve funds	56,500	-	56,500	56,500
Unreserved	4,383,700	5,512,999	9,896,699	8,944,175
Total retained earnings	4,440,200	5,512,999	9,953,199	9,000,675
Total fund equity	5,673,147	8,291,993	13,965,140	13,327,858
Total liabilities and fund equity	\$ 6,430,227	\$ 8,563,344	\$ 14,993,571	\$ 14,508,468

**Township of Tittabawassee**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	Enterprise Funds		Totals	
	Water	Sewer	2004	2003
Operating revenues				
Charges for services	\$ 876,993	\$ 727,619	\$ 1,604,612	\$ 1,534,897
Connection fees	62,832	650	63,482	82,818
System replacement tap charge	82,254	125,668	207,922	185,565
Penalties	15,792	-	15,792	15,439
Miscellaneous	14,214	363	14,577	2,644
Hydrant rental	64,547	-	64,547	59,262
Total operating revenues	<u>1,116,632</u>	<u>854,300</u>	<u>1,970,932</u>	<u>1,880,625</u>
Operating expenses				
Salaries and wages	97,799	116,803	214,602	197,914
Employee benefits	53,808	57,936	111,744	110,429
Supplies	29,515	35,281	64,796	73,723
Uniforms and cleaning	2,851	2,823	5,674	5,720
Dues and memberships	8,185	320	8,505	3,989
Administrative charges	19,194	19,195	38,389	34,652
Professional fees	69,430	77,725	147,155	102,315
Contracted water hookups	36,414	-	36,414	46,098
Transportation	6,986	5,480	12,466	15,745
Insurance	6,281	9,707	15,988	12,859
Public utilities	4,842	16,382	21,224	23,522
Telephone	3,478	5,077	8,555	7,621
Water purchases	315,278	-	315,278	314,355
Printing and publishing	7	140	147	372
Repairs and maintenance	8,509	22,457	30,966	30,788
Depreciation	300,545	457,549	758,094	678,553
Rent	1,200	1,200	2,400	2,400
Miscellaneous	846	751	1,597	2,194
Education and conferences	380	667	1,047	1,876
Total operating expenses	<u>965,548</u>	<u>829,493</u>	<u>1,795,041</u>	<u>1,665,125</u>
Operating income	<u>151,084</u>	<u>24,807</u>	<u>175,891</u>	<u>215,500</u>
Non-operating revenues (expenses)				
Interest on investments	47,925	81,903	129,828	173,747
Interest on special assessments	245	12,960	13,205	19,072
Interest on construction funds	-	-	-	2,335
Special assessments	180,379	183,104	363,483	23,242
Reimbursements	132	10,622	10,754	400,515
Net increase (decrease) in the fair value of investments	119	16,305	16,424	12,445
Bond issuance costs	(1,756)	-	(1,756)	(1,756)
Interest on indebtedness	(47,957)	(21,420)	(69,377)	(65,923)
Paying agent fees	(300)	(870)	(1,170)	(1,170)
Total non-operating revenues (expenses)	<u>178,787</u>	<u>282,604</u>	<u>461,391</u>	<u>562,507</u>
Net income	<u>329,871</u>	<u>307,411</u>	<u>637,282</u>	<u>778,007</u>
Depreciation charged to contributed capital	111,640	203,602	315,242	242,533
Retained earnings, April 1	<u>3,998,689</u>	<u>5,001,986</u>	<u>9,000,675</u>	<u>7,980,135</u>
Retained earnings, March 31	<u>\$ 4,440,200</u>	<u>\$ 5,512,999</u>	<u>\$ 9,953,199</u>	<u>\$ 9,000,675</u>



**Township of Tittabawassee**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	Enterprise Funds		Totals	
	Water	Sewer	2004	2003
Cash flows from operating activities				
Operating income	\$ 151,084	\$ 24,807	\$ 175,891	\$ 215,500
Adjustments to reconcile net operating income to net cash provided by (used for) operating activities				
Depreciation	300,545	457,549	758,094	678,553
(Increase) decrease in accounts and taxes receivable	(8,890)	51,227	42,337	39,371
(Increase) decrease in inventories	(7,238)	-	(7,238)	(7,233)
(Decrease) increase in due to other funds	(20,601)	-	(20,601)	43,630
(Decrease) increase in accounts payable	9,024	420	9,444	10,060
(Increase) decrease in due from other funds	(4,522)	16,131	11,609	(43,630)
(Decrease) increase in accrued payroll	557	1,346	1,903	-
(Decrease) increase in compensated absences payable	(65)	(104)	(169)	(5,242)
(Decrease) increase in deposits held for others	2,200	-	2,200	(280)
Net adjustments	271,010	526,569	797,579	715,229
Net cash provided by operating activities	422,094	551,376	973,470	930,729
Cash flows from capital and related financing activities				
Acquisition and construction of fixed assets	(417,685)	(807,604)	(1,225,289)	(602,049)
Principal payments	(40,000)	(100,000)	(140,000)	(140,000)
Interest and fees paid	(50,541)	(23,028)	(73,569)	(74,494)
Reimbursements received	132	10,622	10,754	400,515
Special assessment received	180,379	183,104	363,483	23,242
Net cash used for capital and related financing activities	(327,715)	(736,906)	(1,064,621)	(392,786)
Cash flows from investment activities				
Purchase of investments	-	(1,085,000)	(1,085,000)	(450,000)
Receipts of interest	54,108	94,863	148,971	195,154
Net cash provided by (used for) investing activities	54,108	(990,137)	(936,029)	(254,846)
Net increase (decrease) in cash and cash equivalents	148,487	(1,175,667)	(1,027,180)	283,097
Cash and cash equivalents, April 1	1,118,066	2,590,195	3,708,261	3,425,164
Cash and cash equivalents, March 31	\$ 1,266,553	\$ 1,414,528	\$ 2,681,081	\$ 3,708,261
Cash and cash equivalents at end of year consist of				
Unrestricted cash and cash equivalents	\$ 1,210,053	\$ 1,232,487	\$ 2,442,540	\$ 3,427,708
Restricted cash and cash equivalents	-	182,041	182,041	224,053
Restricted cash - revenue bond redemption and reserve funds	56,500	-	56,500	56,500
	\$ 1,266,553	\$ 1,414,528	\$ 2,681,081	\$ 3,708,261

**Township of Tittabawassee**  
**Water Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,210,053	\$ 1,061,566
Investments	459,063	458,944
Receivables		
Interest	2,154	8,092
Taxes	4,248	4,522
Accounts	256,070	243,840
Special assessments - current	-	3,066
Due from other funds	4,522	-
Inventory	<u>47,430</u>	<u>40,192</u>
Total current assets	<u>1,983,540</u>	<u>1,820,222</u>
Restricted assets		
Cash - revenue bond redemption fund (Note 4)	13,000	13,000
Cash - revenue bond reserve fund (Note 4)	<u>43,500</u>	<u>43,500</u>
Total restricted assets	<u>56,500</u>	<u>56,500</u>
Other assets		
Bond discount	4,594	5,381
Bond issuance costs	<u>13,158</u>	<u>14,914</u>
Total other assets	<u>17,752</u>	<u>20,295</u>
Property and equipment		
Buildings	47,427	36,490
Mains	6,709,564	5,773,407
Machinery and equipment	123,932	123,932
Construction in progress	<u>-</u>	<u>529,408</u>
	6,880,923	6,463,237
Less accumulated depreciation	<u>(2,508,488)</u>	<u>(2,207,942)</u>
Net property and equipment	<u>4,372,435</u>	<u>4,255,295</u>
Total assets	<u>\$ 6,430,227</u>	<u>\$ 6,152,312</u>

**Township of Tittabawassee**  
**Water Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Liabilities and Fund Equity		
Current liabilities payable from current assets		
Accounts payable	\$ 36,526	\$ 27,502
Accrued payroll	4,429	3,872
Compensated absences payable	8,934	8,999
Deposits held for others - renters	14,451	12,251
Due to other funds - Sewer	157,802	178,403
Accrued interest payable	14,938	18,009
Current portion of revenue bonds	55,000	55,000
Current portion of contracts payable	<u>35,000</u>	<u>35,000</u>
Total current liabilities payable from current assets	<u>327,080</u>	<u>339,036</u>
Long-term debt - net current portion		
Revenue bonds payable - 1970	230,000	270,000
Contracts payable - Saginaw County	<u>200,000</u>	<u>200,000</u>
Total long-term debt	<u>430,000</u>	<u>470,000</u>
Total liabilities	<u>757,080</u>	<u>809,036</u>
Fund equity		
Contributed capital	<u>1,232,947</u>	<u>1,344,587</u>
Retained earnings		
Reserved - bond reserve funds	56,500	56,500
Unreserved	<u>4,383,700</u>	<u>3,942,189</u>
Total retained earnings	<u>4,440,200</u>	<u>3,998,689</u>
Total fund equity	<u>5,673,147</u>	<u>5,343,276</u>
Total liabilities and fund equity	<u>\$ 6,430,227</u>	<u>\$ 6,152,312</u>

**Township of Tittabawassee**  
**Water Fund**  
**Comparative Statement of Revenues, Expenses and Changes in Retained Earnings**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	2004	2003
Operating revenues		
Water revenue	\$ 876,993	\$ 831,888
Connection fees	62,832	82,238
System replacement tap charge	82,254	67,858
Penalties	15,792	15,439
Miscellaneous	14,214	1,555
Hydrant rental	64,547	59,262
Total operating revenues	<u>1,116,632</u>	<u>1,058,240</u>
Operating expenses		
Salaries and wages	97,799	90,538
Employee benefits	53,808	52,439
Supplies	29,515	44,281
Uniforms and cleaning	2,851	2,755
Dues and memberships	8,185	3,427
Administration charges	19,194	17,326
Professional fees	69,430	31,755
Contracted water hookups	36,414	46,098
Transportation	6,986	8,487
Insurance	6,281	5,052
Public utilities	4,842	5,510
Telephone	3,478	3,361
Water purchases	315,278	314,355
Printing and publishing	7	372
Repairs and maintenance	8,509	7,110
Depreciation	300,545	254,031
Rent	1,200	1,200
Miscellaneous	846	1,088
Education and conferences	380	1,033
Total operating expenses	<u>965,548</u>	<u>890,218</u>
Operating income	<u>151,084</u>	<u>168,022</u>
Nonoperating revenues (expenses)		
Interest on investments	47,925	61,871
Interest on special assessments	245	5,013
Special assessments	180,379	11,621
Reimbursements	132	181,451
Net increase (decrease) in the fair value of investments	119	8,944
Bond issuance costs	(1,756)	(1,756)
Interest on indebtedness	(47,957)	(39,214)
Paying agent fees	(300)	(300)
Total non-operating revenues (expenses)	<u>178,787</u>	<u>227,630</u>
Net income	329,871	395,652
Depreciation charged to contributed capital	111,640	44,913
Retained earnings, April 1	<u>3,998,689</u>	<u>3,558,124</u>
Retained earnings, March 31	<u>\$ 4,440,200</u>	<u>\$ 3,998,689</u>

**Township of Tittabawassee**  
**Water Fund**  
**Comparative Statement of Cash Flows**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	2004	2003
Cash flows from operating activities		
Operating income	\$ 151,084	\$ 168,022
Adjustments to reconcile net operating income to net cash provided by (used for) operating activities		
Depreciation	300,545	254,031
(Increase) decrease in accounts and taxes receivable	(8,890)	(1,452)
(Increase) decrease in due from other funds	(4,522)	-
(Increase) decrease in inventories	(7,238)	(7,233)
(Decrease) increase in due to other funds	(20,601)	43,630
(Decrease) increase in accounts payable	9,024	2,873
(Decrease) increase in accrued payroll	557	-
(Decrease) increase in compensated absences	(65)	(2,625)
(Decrease) increase in deposits held for others	2,200	(280)
Net adjustments	271,010	288,944
Net cash provided by operating activities	422,094	456,966
Cash flows from capital and related financing activities		
Acquisition and construction of fixed assets	(417,685)	(458,157)
Principal payments	(40,000)	(50,000)
Interest and fees paid	(50,541)	(45,004)
Reimbursements received	132	181,451
Special assessments received	180,379	11,621
Net cash used for capital and related financing activities	(327,715)	(360,089)
Cash flows from investing activities		
Purchase of investments	-	(450,000)
Interest	54,108	66,884
Net cash provided by (used for) investing activities	54,108	(383,116)
Net increase (decrease) in cash	148,487	(286,239)
Cash and cash equivalents, April 1	1,118,066	1,404,305
Cash and cash equivalents, March 31	\$ 1,266,553	\$ 1,118,066
Cash and cash equivalents at end of year consist of		
Unrestricted cash and investments	\$ 1,210,053	\$ 1,061,566
Restricted cash and investments	56,500	56,500
	\$ 1,266,553	\$ 1,118,066

**Township of Tittabawassee**  
**Sewer Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,232,487	\$ 2,366,142
Investments	1,385,030	288,000
Receivables		
Interest	1,788	1,788
Taxes	624	2,725
Accounts	32,571	39,349
Special assessment - current	31,615	42,636
Due from other funds	<u>162,272</u>	<u>178,403</u>
Total current assets	<u>2,846,387</u>	<u>2,919,043</u>
Restricted assets		
Cash and cash equivalents	182,041	224,053
Investments	177,525	173,250
Receivables		
Taxes	697	1,745
Interest	1,031	1,031
Special assessments	<u>49,642</u>	<u>79,921</u>
Total restricted assets	<u>410,936</u>	<u>480,000</u>
Other assets		
Bond discount	<u>2,582</u>	<u>3,729</u>
Property, plant and equipment		
Land	120,000	120,000
Buildings	74,298	53,352
Equipment	255,958	236,196
Sewer lines	8,275,331	7,560,815
Sanitation plant	1,143,599	1,143,599
Construction in progress	<u>1,172,809</u>	<u>1,120,429</u>
	11,041,995	10,234,391
Less accumulated depreciation	<u>(5,738,556)</u>	<u>(5,281,007)</u>
Net property and equipment	<u>5,303,439</u>	<u>4,953,384</u>
Total assets	<u>\$ 8,563,344</u>	<u>\$ 8,356,156</u>

**Township of Tittabawassee**  
**Sewer Fund**  
**Comparative Balance Sheet**  
**March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Liabilities and Fund Equity		
Current liabilities payable from current assets		
Accounts payable	\$ 11,151	\$ 10,731
Accrued payroll	5,923	4,577
Compensated absences payable	8,903	9,007
Accrued interest payable	159	329
Current portion bonds payable	<u>10,000</u>	<u>20,000</u>
Total current liabilities payable from current assets	<u>36,136</u>	<u>44,644</u>
Current liabilities payable from restricted assets		
Accrued interest payable	5,215	6,930
Current portion of contracts payable	<u>70,000</u>	<u>70,000</u>
Total current liabilities payable from restricted assets	<u>75,215</u>	<u>76,930</u>
Long-term debt - net current portion		
Contract payable, Saginaw County -		
net of current portion and bond discount	140,000	210,000
Special assessment bonds	<u>20,000</u>	<u>40,000</u>
Total long-term debt	<u>160,000</u>	<u>250,000</u>
Total liabilities	<u>271,351</u>	<u>371,574</u>
Fund equity		
Contributed capital	<u>2,778,994</u>	<u>2,982,596</u>
Retained earnings		
Unreserved	<u>5,512,999</u>	<u>5,001,986</u>
Total retained earnings	<u>5,512,999</u>	<u>5,001,986</u>
Total fund equity	<u>8,291,993</u>	<u>7,984,582</u>
Total liabilities and fund equity	<u>\$ 8,563,344</u>	<u>\$ 8,356,156</u>

**Township of Tittabawassee**  
**Sewer Fund**  
**Comparative Statement of Revenues, Expenses and Changes in Retained Earnings**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Operating revenues		
Sewer service charges	\$ 727,619	\$ 703,009
Connection fees	650	580
System replacement tap charge	125,668	117,707
Miscellaneous	<u>363</u>	<u>1,089</u>
Total operating revenues	<u>854,300</u>	<u>822,385</u>
Operating expenses		
Salaries and wages	116,803	107,376
Employee benefits	57,936	57,990
Supplies	35,281	29,442
Uniforms and cleaning	2,823	2,965
Dues and memberships	320	562
Administrative charges	19,195	17,326
Professional fees	77,725	70,560
Transportation	5,480	7,258
Insurance	9,707	7,807
Public utilities	16,382	18,012
Telephone	5,077	4,260
Printing and publishing	140	-
Repairs and maintenance	22,457	23,678
Depreciation	457,549	424,522
Rent	1,200	1,200
Miscellaneous	751	1,106
Education and conferences	<u>667</u>	<u>843</u>
Total operating expenses	<u>829,493</u>	<u>774,907</u>
Operating income	<u>24,807</u>	<u>47,478</u>
Nonoperating revenues (expenses)		
Interest on investments	81,903	111,876
Interest on special assessments	12,960	14,059
Interest on construction funds	-	2,335
Special assessments	183,104	11,621
Reimbursements	10,622	219,064
Net increase (decrease) in the fair value of investments	16,305	3,501
Interest on indebtedness	(21,420)	(26,709)
Paying agent fees	<u>(870)</u>	<u>(870)</u>
Total nonoperating revenues (expenses)	<u>282,604</u>	<u>334,877</u>
Net income	307,411	382,355
Depreciation charged to contributed capital	203,602	197,620
Retained earnings, April 1	<u>5,001,986</u>	<u>4,422,011</u>
Retained earnings, March 31	<u>\$ 5,512,999</u>	<u>\$ 5,001,986</u>



**Township of Tittabawassee**  
**Sewer Fund**  
**Comparative Statement of Cash Flows**  
**For the Fiscal Years Ended March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities		
Operating income	\$ 24,807	\$ 47,478
Adjustments to reconcile net operating income to net cash provided by (used for) operating activities		
Depreciation	457,549	424,522
(Increase) decrease in accounts receivable	51,227	40,823
(Decrease) increase in accounts payable	420	7,187
(Increase) decrease in due from other funds	16,131	(43,630)
(Decrease) increase in accrued payroll	1,346	-
(Decrease) increase in compensated absences payable	(104)	(2,617)
Net adjustments	<u>526,569</u>	<u>426,285</u>
Net cash provided by operating activities	<u>551,376</u>	<u>473,763</u>
Cash flows from capital and related financing activities		
Acquisition and construction of fixed assets	(807,604)	(143,892)
Principal payments	(100,000)	(90,000)
Interest and fees paid	(23,028)	(29,490)
Reimbursements received	10,622	219,064
Special assessments received	<u>183,104</u>	<u>11,621</u>
Net cash used for capital and related financing activities	<u>(736,906)</u>	<u>(32,697)</u>
Cash flows from investing activities		
Purchase of investments	(1,085,000)	-
Receipts of interest	<u>94,863</u>	<u>128,270</u>
Net cash provided by (used for) investing activities	<u>(990,137)</u>	<u>128,270</u>
Net increase (decrease) in cash	(1,175,667)	569,336
Cash and cash equivalents, April 1	<u>2,590,195</u>	<u>2,020,859</u>
Cash and cash equivalents, March 31	<u>\$ 1,414,528</u>	<u>\$ 2,590,195</u>
Cash and cash equivalents at end of year consist of		
Unrestricted cash and cash equivalents	\$ 1,232,487	\$ 2,366,142
Restricted cash and cash equivalents	<u>182,041</u>	<u>224,053</u>
	<u>\$ 1,414,528</u>	<u>\$ 2,590,195</u>

This page intentionally left blank

## **FIDUCIARY FUNDS**

Fiduciary funds are used to account for assets held by the government in a trustee or agent capacity.

Pension Fund – Used to account for monies received and accumulated in the public employee retirement system and held by the Township in the capacity of trustee.

Current Tax Collection Fund – Used to account for the collection and payment of property taxes billed and collected by the Township on behalf of the Township, State, county, two school districts, an intermediate school district and community college.

Imprest Payroll Fund – Used as a clearing account type of fund which receives reimbursing payment from other funds.

Delinquent Tax Collection Fund – Used to account for the collection and payment of delinquent personal property taxes billed and collected by the Township on behalf of the Township, State, county, two school districts, an intermediate school district and community college.

**Township of Tittabawassee**  
**All Trust and Agency Funds**  
**Combining Balance Sheet**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

	<u>Agency Funds</u>			<u>Trust</u>		
	<u>Delinquent Tax Collection</u>	<u>Imprest Payroll</u>	<u>Current Tax Collection</u>	<u>Pension Trust</u>	<u>Totals 2004</u>	<u>Totals 2003</u>
<b>Assets</b>						
Cash	\$ 24,256	\$ 8,753	\$ 22,673	\$ -	\$ 55,682	\$ 45,122
Investments - pension	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,105,094</u>	<u>1,105,094</u>	<u>805,401</u>
Total assets	<u>\$ 24,256</u>	<u>\$ 8,753</u>	<u>\$ 22,673</u>	<u>\$ 1,105,094</u>	<u>\$ 1,160,776</u>	<u>\$ 850,523</u>
<b>Liabilities</b>						
Due to other funds	\$ 176	\$ -	\$ -	\$ -	\$ 176	\$ 176
Due to others	24,080	4,799	22,673	-	51,552	41,137
Vested employee benefits payable	-	-	-	1,105,094	1,105,094	805,401
Advance from other funds	<u>-</u>	<u>3,954</u>	<u>-</u>	<u>-</u>	<u>3,954</u>	<u>3,809</u>
Total liabilities	<u>\$ 24,256</u>	<u>\$ 8,753</u>	<u>\$ 22,673</u>	<u>\$ 1,105,094</u>	<u>\$ 1,160,776</u>	<u>\$ 850,523</u>

**Township of Tittabawassee**  
**All Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended March 31, 2004**

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
<b>Delinquent Tax Collection Fund</b>				
Assets				
Cash	\$ 21,778	\$ 38,122	\$ 35,644	\$ 24,256
Liabilities				
Due to other funds	\$ 176	\$ 1,275	\$ 1,275	\$ 176
Due to others	21,602	36,847	34,369	24,080
Total liabilities	\$ 21,778	\$ 38,122	\$ 35,644	\$ 24,256
<b>Imprest Payroll Fund</b>				
Assets				
Cash	\$ 5,579	\$ 1,054,760	\$ 1,051,586	\$ 8,753
Liabilities				
Payroll withholdings	\$ 1,770	\$ 1,054,476	\$ 1,051,447	\$ 4,799
Advance from other funds	3,809	284	139	3,954
Total liabilities	\$ 5,579	\$ 1,054,760	\$ 1,051,586	\$ 8,753
<b>Current Tax Collection Fund</b>				
Assets				
Cash	\$ 17,765	\$ 6,193,963	\$ 6,189,055	\$ 22,673
Liabilities				
Due to other funds	\$ -	\$ 1,594,795	\$ 1,594,795	\$ -
Due to others	17,765	4,599,168	4,594,260	22,673
Total liabilities	\$ 17,765	\$ 6,193,963	\$ 6,189,055	\$ 22,673
<b>Total - All Agency Funds</b>				
Assets				
Cash	\$ 45,122	\$ 7,286,845	\$ 7,276,285	\$ 55,682
Liabilities				
Due to other funds	\$ 176	\$ 1,596,070	\$ 1,596,070	\$ 176
Due to others	39,367	4,636,015	4,628,629	46,753
Payroll withholdings	1,770	1,054,476	1,051,447	4,799
Advance from other funds	3,809	284	139	3,954
Total liabilities	\$ 45,122	\$ 7,286,845	\$ 7,276,285	\$ 55,682

**Township of Tittabawassee**  
**Current Tax Collection Fund**  
**Analysis of 2003 Tax Spread and Collections to Date of Return to County Treasurer**

	2003 Millage Rate	Tax Spread	Uncollected Taxes	Due DDA	Tax Collections Accountable by Township Treasurer
Combined County wide tax	7.23520	\$ 1,407,531	\$ 72,587	\$ 99,337	\$ 1,235,607
Intermediate School District	2.08850	405,671	20,962	18,256	366,453
Delta College tax	2.54270	493,921	25,522	34,914	433,485
Combined school tax	(See below)	1,813,619	144,046	100,744	1,568,829
State Education tax	5.00000	981,123	33,830	71,976	875,317
Township operating tax	0.90160	175,399	9,049	12,379	153,971
Township police protection	2.25420	438,562	22,627	27,483	388,452
Township public safety	0.95590	185,964	9,594	13,124	163,246
Tax Increment Financing Authority					378,213
Special assessments					
Delinquent water bills		223	-		223
Delinquent sewer bills		223	-		223
Hydrant rental		64,546	4,248		60,298
Street lighting		31,487	1,732		29,755
Road assessment		1,971	70		1,901
Rubbish collection		336,571	19,915		316,656
Watermain extension		3,311	-		3,311
Sewer extensions		46,676	902		45,774
Drains		22,894	5,178		17,716
Drain assessment		8,937	406		8,531
Administration fee		-	-	-	60,808
		<u>6,418,629</u>	<u>370,668</u>	<u>378,213</u>	6,108,769
Add					
Interest					16,189
Dog licenses					570
Total cash collections					<u>\$ 6,125,528</u>
Combined school tax					
	<u>Homestead</u>	<u>Non-</u> <u>Homestead</u>			
Freeland Community Schools					
Operating millage	-	16.35520			
School debt	4.50000	4.50000			
Total	<u>4.50000</u>	<u>20.85520</u>			
Bay City Schools					
Operating millage	-	18.00000			
School debt	1.10000	1.10000			
Total	<u>1.10000</u>	<u>19.10000</u>			

**Township of Tittabawassee**  
**Current Tax Collection Fund**  
**Schedule of Distribution of 2003 Tax Collections**

---

Deduct payments	
County Treasurer	
Operating tax	\$ 1,235,607
Drains special assessment	8,531
Dog licenses	497
Intermediate School District	366,453
Delta College	433,485
Schools	1,568,829
State Tax Commission	875,317
Township General Fund	
Operating tax	153,971
Administration fee	60,808
Bank interest	16,189
Dog licenses	73
Special assessments	
Street lighting	29,755
Road special assessment	1,901
Drain special assessment	17,716
Police Fund	470,075
Fire Fund	81,623
Sewer Fund special assessments	
Sewer Extension #2	31,739
Pierce Road sanitary sewer	5,624
M-47 sewer	7,420
Scott Road sewer	991
Water Fund	
Special assessments	
M-47/Garfield water	3,311
Hydrant tax	60,298
Delinquent water bills	446
Rubbish collection	316,656
Tax Increment Financing Authority	
Captured taxes	<u>378,213</u>
Total distributions	<u>\$ 6,125,528</u>

This page intentionally left blank



## **ACCOUNT GROUPS**

The Township uses account groups for the Township's general fixed assets and general long-term capital debt.

General Fixed Assets Account Group – This group of accounts is used to account for all fixed assets of the Township other than those accounted for in the enterprise funds.

General Long-Term Debt Account Group – This account group is used to account for the long-term debt of the Township except for debt accounted for in specific enterprise funds.

**Township of Tittabawassee**  
**Schedule of Changes in General Fixed Assets**  
**March 31, 2004**

---

	April 1, 2003 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	March 31, 2004 <u>Balance</u>
General fixed assets				
Land	\$ 176,397	\$ -	\$ -	\$ 176,397
Land improvements	223,637	1,329	-	224,966
Buildings	792,778	18,600	-	811,378
Vehicles	517,072	78,322	74,798	520,596
Office equipment	144,643	11,560	-	156,203
Other equipment	298,540	21,268	-	319,808
Radar	7,500	-	-	7,500
Radios	85,299	-	-	85,299
Weapons	2,550	-	-	2,550
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total general fixed assets	<u>\$ 2,248,416</u>	<u>\$ 131,079</u>	<u>\$ 74,798</u>	<u>\$ 2,304,697</u>

**Township of Tittabawassee**  
**Statement of General Long-Term Debt**  
**March 31, 2004 and 2003**

---

	<u>2004</u>	<u>2003</u>
Amount available and amount to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	<u>\$ 295,800</u>	<u>\$ 295,800</u>
General long-term debt payable		
Contracts payable - Saginaw County	<u><u>\$ 295,800</u></u>	<u><u>\$ 295,800</u></u>

**Schedule of Changes in Long-Term Debt**  
**For the Fiscal Year Ended March 31, 2004**

	General Long-Term Debt April 1, 2003	<u>Additions</u>	<u>Retirements</u>	General Long-Term Debt March 31, 2004
Long-term debt				
Contracts payable - Saginaw County	<u>\$ 295,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,800</u>

This page intentionally left blank

## **COMPONENT UNIT**

Downtown Development Authority Fund – This fund is a component unit of the Township with a fiscal year end of March 31, 2003. The Township Board established the Downtown Development Authority Fund in 1988 pursuant to Act No. 197 of the Public Acts of 1975, as amended. Property tax revenues received from the “captured” portion of these properties are restricted to pay project expenditures.

**Township of Tittabawassee**  
**Downtown Development Authority Fund**  
**Combined Balance Sheet**  
**March 31, 2004**  
**(With Comparative Totals for March 31, 2003)**

		Account Groups		Totals	
	Downtown Development Authority	General Fixed Assets	General Long-Term Debt	2004	2003
Assets					
Cash	\$ 461,457	\$ -	\$ -	\$ 461,457	\$ 259,686
Delinquent taxes receivable	48,826	-	-	48,826	25,647
Restricted assets					
Cash - debt retirement funds	125,105	-	-	125,105	193,245
Property and equipment	-	12,288	-	12,288	12,288
Amount to be provided for retirement of general long-term debt	-	-	950,000	950,000	1,000,000
Total assets	\$ 635,388	\$ 12,288	\$ 950,000	\$ 1,597,676	\$ 1,490,866
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 532	\$ -	\$ -	\$ 532	\$ 2,606
Accrued payroll	510	-	-	510	335
Accrued compensated absences	800	-	-	800	365
Due to other units of government	57,153	-	-	57,153	-
General obligation bonds	-	-	950,000	950,000	1,000,000
Total liabilities	58,995	-	950,000	1,008,995	1,003,306
Fund equity					
Investment in general fixed assets	-	12,288	-	12,288	12,288
Fund balance					
Unreserved	576,393	-	-	576,393	475,272
Total fund equity	576,393	12,288	-	588,681	487,560
Total liabilities and fund balance	\$ 635,388	\$ 12,288	\$ 950,000	\$ 1,597,676	\$ 1,490,866

**Township of Tittabawassee**  
**Downtown Development Authority**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended March 31, 2004**  
**(With Comparative Totals for the Fiscal Year Ended March 31, 2003)**

	2004			2003
	Budget	Actual	Variance	Actual
Revenues				
Taxes	\$ 286,000	\$ 316,112	\$ 30,112	\$ 273,938
Interest	5,500	3,868	(1,632)	5,508
Reimbursements	-	-	-	1,534
Contributions	1,000	270	(730)	670
Total revenues	292,500	320,250	27,750	281,650
Expenditures				
Wages	12,850	9,795	(3,055)	8,110
Employee benefits	3,983	1,812	(2,171)	1,708
Supplies	1,725	1,825	100	1,206
Dues and memberships	200	-	(200)	200
Audit fees	350	342	(8)	325
Legal fees	250	-	(250)	143
Consultant fees	-	1,800	1,800	8,200
Administrative charges	3,839	3,839	-	3,465
Transportation	420	-	(420)	50
Contingencies	1,000	-	(1,000)	-
Printing and publishing notices	100	73	(27)	76
Insurance	5,900	5,834	(66)	5,029
Utilities	11,050	9,937	(1,113)	7,100
Buildings, grounds and maintenance	24,000	20,631	(3,369)	9,815
Repairs and maintenance	200	125	(75)	65
Miscellaneous	100	34	(66)	89
Education and conferences	225	200	(25)	-
Tax chargebacks	4,000	1,572	(2,428)	743
Decorations	3,000	-	(3,000)	3,429
Project expenditures	44,667	29,410	(15,257)	19,541
Bond principal payment	50,000	50,000	-	25,000
Police and fire department expense	12,000	12,000	-	8,500
Interest expense	69,000	69,000	-	72,000
Paying agent fees	900	900	-	900
Total expenditures	249,759	219,129	(30,630)	175,694
Excess of revenues over expenditures	42,741	101,121	58,380	105,956
Fund balance, April 1	475,272	475,272	-	369,316
Fund balance, March 31	\$ 518,013	\$ 576,393	\$ 58,380	\$ 475,272

**Township of Tittabawassee**  
**Downtown Development Authority Fund**  
**Schedule of Changes of General Fixed Assets**  
**For the Fiscal Year Ended March 31, 2004**

	<u>April 1, 2003 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>March 31, 2004 Balance</u>
General fixed assets				
Land	\$ 9,492	\$ -	\$ -	\$ 9,492
Office equipment	<u>2,796</u>	<u>-</u>	<u>-</u>	<u>2,796</u>
	<u>\$ 12,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,288</u>

**Statement of General Long-Term Debt**  
**March 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Amount available and amount to be provided for the payment of general long-term debt	<u>\$ 950,000</u>	<u>\$ 1,000,000</u>
General long-term debt payable		
General obligation bonds	<u>\$ 950,000</u>	<u>\$ 1,000,000</u>

**Schedule of Changes in Long-Term Debt**  
**For the Fiscal Year Ended March 31, 2004**

	<u>Long-Term Debt</u>	<u>Changes during year</u>	<u>Long-Term Debt</u>
		<u>Additions</u> <u>Deletions</u>	
Long-term debt			
1995 Downtown Development Bonds	<u>\$ 1,000,000</u>	<u>\$ -</u> <u>\$ 50,000</u>	<u>\$ 950,000</u>



**STATISTICAL SECTION  
(Unaudited)**

**Township of Tittabawassee**  
**Schedule of Indebtedness**  
**March 31, 2004**  
**(Unaudited)**

	Year Ended March 31,	Interest Rate	Principal	Interest	Total Requirements
County contracts payable					
Sanitary Sewer Extension #2					
County bonds issued by Saginaw County, dated June 1, 1982; original issue \$ 1,350,000	2005	7.40%	\$ 70,000	\$ 13,055	\$ 83,055
	2006	7.45%	70,000	7,858	\$ 77,858
	2007	7.50%	<u>70,000</u>	<u>2,625</u>	<u>72,625</u>
			<u>\$ 210,000</u>	<u>\$ 23,538</u>	<u>\$ 233,538</u>
Water Supply System Extension #2					
County bonds issued by Saginaw County, dated October 1, 1989; original issue \$ 575,000	2005	7.00%	\$ 35,000	\$ 17,675	\$ 52,675
	2006	7.00%	35,000	15,225	50,225
	2007	7.00%	50,000	12,250	62,250
	2008	7.00%	50,000	8,750	58,750
	2009	7.00%	50,000	5,250	55,250
	2010	7.00%	<u>50,000</u>	<u>1,750</u>	<u>51,750</u>
			<u>\$ 270,000</u>	<u>\$ 60,900</u>	<u>\$ 330,900</u>
Bishop Tile Drain					
County bonds issued by Saginaw County, dated June 1, 1999; original issue \$ 340,000	2005	5.75%	\$ 13,600	\$ 14,008	\$ 27,608
	2006	5.75%	13,600	13,382	26,982
	2007	5.75%	13,600	12,743	26,343
	2008	5.75%	17,000	12,024	29,024
	2009	5.75%	17,000	11,225	28,225
	2010	5.75%	17,000	10,426	27,426
	2011	5.75%	17,000	9,628	26,628
	2012	5.75%	20,400	8,748	29,148
	2013	5.75%	20,400	7,779	28,179
	2014	5.75%	20,400	6,790	27,190
	2015	5.75%	23,800	5,695	29,495
	2016	5.75%	23,800	4,505	28,305
	2017	5.75%	23,800	3,315	27,115
	2018	5.57%	27,200	2,040	29,240
	2019	5.75%	<u>27,200</u>	<u>680</u>	<u>27,880</u>
			<u>\$ 295,800</u>	<u>\$ 122,988</u>	<u>\$ 418,788</u>

**Township of Tittabawassee**  
**Schedule of Indebtedness**  
**March 31, 2004**  
**(Unaudited)**

	<u>Year Ended March 31,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<b>Revenue Bonds</b>					
Water Supply and Distribution System					
Revenue Refunding Bonds, Series 1987					
Dated July 13, 1993, refunding of June 18, 1987					
refunding; to replace 1984 water supply junior lien					
revenue bonds; original issue \$ 435,000					
	2005	5.65%	\$ 20,000	\$ 14,125	\$ 34,125
	2006	5.65%	25,000	12,995	37,995
	2007	5.65%	25,000	11,583	36,583
	2008	5.65%	25,000	10,170	35,170
	2009	5.65%	25,000	8,758	33,758
	2010	5.65%	30,000	7,345	37,345
	2011	5.65%	30,000	5,620	35,620
	2012	5.65%	35,000	3,955	38,955
	2013	5.65%	35,000	1,976	36,976
			<u>\$ 250,000</u>	<u>\$ 76,527</u>	<u>\$ 326,527</u>
 1994 Midland Road Sewer					
Michigan National Bank #2539, dated					
May 12, 1994; original issue \$ 130,000					
	2005	6.35%	\$ 10,000	\$ 1,905	\$ 11,905
	2006	6.35%	5,000	1,270	6,270
	2007	6.35%	5,000	952	5,952
	2008	6.35%	5,000	635	5,635
	2009	6.35%	5,000	317	5,317
			<u>\$ 30,000</u>	<u>\$ 5,079</u>	<u>\$ 35,079</u>
 1994 Downtown Development Bonds					
General obligation bonds, dated December 29, 1994;					
#2711; original issue \$ 1,105,000					
	2005	8.00%	\$ 50,000	\$ 65,000	\$ 115,000
	2006	7.00%	75,000	60,375	135,375
	2007	7.00%	75,000	55,125	130,125
	2008	7.00%	75,000	49,875	124,875
	2009	7.00%	75,000	44,625	119,625
	2010	7.00%	100,000	38,500	138,500
	2011	7.00%	100,000	31,500	131,500
	2012	7.00%	100,000	24,500	124,500
	2013	7.00%	100,000	17,500	117,500
	2014	7.00%	100,000	10,500	110,500
	2015	7.00%	100,000	3,500	103,500
			<u>\$ 950,000</u>	<u>\$ 401,000</u>	<u>\$ 1,351,000</u>

**Township of Tittabawassee**  
**Property Tax Levies and Collection**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Assessed valuation (a)										
Real property	\$ 234,183,800	\$ 219,447,600	\$ 186,226,690	\$ 166,709,500	\$ 137,055,893	\$ 109,765,987	\$ 105,118,689	\$ 93,709,800	\$ 85,029,050	\$ 79,197,350
Personal property	12,915,500	18,880,900	13,228,600	12,278,550	11,285,550	10,321,355	9,646,300	9,452,400	8,554,000	7,720,200
Total assessed	247,099,300	238,328,500	199,455,290	178,988,050	148,341,443	120,087,342	114,764,989	103,162,200	93,583,050	86,917,550
Taxable value										
Real property	197,440,683	181,523,381	152,991,955	137,330,819	118,247,625	106,815,271	100,385,460	91,698,214	84,392,359	79,197,350
Personal property	12,915,500	18,800,900	13,229,100	12,278,550	11,285,550	10,321,355	9,646,300	9,452,400	8,554,000	7,720,200
Total S.E.V. (b)	210,356,183	200,324,281	166,221,055	149,609,369	129,533,175	117,136,626	110,031,760	101,150,614	92,946,359	86,917,550
Total taxable value adjusted for abatements	\$ 209,922,983	\$ 199,891,081	\$ 165,787,855	\$ 149,176,169	\$ 129,123,475	\$ 117,136,626	\$ 110,031,760	\$ 101,107,814	\$ 92,923,157	\$ 86,896,850
Tax rates per \$1,000 S.E.V.										
All direct and overlapping governments										
County and Intermediate School	9.32370	9.29070	9.29520	8.72650	8.77190	8.65470	8.65470	8.71084	8.6779	8.8088
Delta College	2.54270	2.54270	2.54270	2.04270	2.04270	2.04270	2.04270	2.04270	2.0427	2.0427
Combined schools	5.45370	5.46230	5.46900	6.07310	3.48350	3.99940	6.30000	6.30000	7.3000	7.3000
State education	5.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.0000	6.0000
Township operating	0.90160	0.90960	0.91600	0.91720	0.92900	0.94330	0.94480	0.94751	0.9475	0.9475
Township public safety millage	0.95590	0.96430	0.97100	0.97230	0.98490	1.00000	-	-	-	-
Police millage	2.25420	2.27400	2.28990	2.29290	2.32240	2.35810	2.36190	2.36880	2.3688	2.3688
Total tax rates homestead	26.4318	27.4436	27.4838	27.0247	24.5344	24.9982	26.3041	26.3699	27.3369	27.4678
Additional tax non-homestead	16.3552	16.5405	16.7228	16.9723	17.4058	17.6870	17.6976	18.0000	18.0000	18.0000
Total tax rates non-homestead	42.7870	43.9841	44.2066	43.9970	41.9402	42.6852	44.0017	44.3699	45.3369	45.4678
Tax levies										
Combined County and I.S.D. (c)	\$ 1,701,293	\$ 1,677,041	\$ 1,461,349	\$ 1,301,027	\$ 1,064,980	\$ 956,699	\$ 909,342	\$ 842,490	\$ 775,864	\$ 738,842
Delta College (c)	461,467	458,421	395,692	304,133	246,084	225,006	214,002	197,014	182,422	171,447
Combined schools (c)	1,720,189	1,683,462	1,559,364	1,533,200	926,633	944,885	1,129,132	1,062,156	1,067,518	1,009,817
State education tax	973,033	1,081,765	970,615	893,364	745,023	672,206	633,968	583,396	536,388	502,032
Township operating (c)	163,620	164,253	142,807	136,808	111,909	103,906	98,982	91,385	84,616	79,523
Public Safety millage (c)	173,473	174,131	151,382	145,027	118,644	110,153	-	-	-	-
Police millage (c)	409,107	410,656	357,023	342,030	279,782	259,750	247,444	228,462	211,542	198,819
Tax Increment Financing (d)	299,606	270,817	225,471	221,598	212,202	184,409	148,467	131,785	119,243	102,068
Special assessments	516,841	498,938	509,116	511,513	508,727	490,444	479,912	405,555	391,371	372,111
Total levy	\$ 6,418,629	\$ 6,419,484	\$ 5,772,819	\$ 5,388,700	\$ 4,213,984	\$ 3,947,458	\$ 3,861,249	\$ 3,542,243	\$ 3,368,964	\$ 3,174,659
Tax collection to March 1	\$ 6,047,961	\$ 5,871,799	\$ 5,332,573	\$ 4,907,491	\$ 3,949,533	\$ 3,697,480	\$ 3,596,097	\$ 3,309,332	\$ 3,110,780	\$ 2,905,790
% collected to March 1	94.23%	91.47%	92.37%	91.07%	93.72%	93.67%	93.13%	93.42%	92.34%	91.53%

(a) Assessed valuation is after all Board of review adjustments. Taxable value from the Assessor's Warrant.

(b) Taxable values include Industrial Tax abated valuation which is taxed at 50% of taxable value. To arrive at the Tax levy, 50% of the abated values must be subtracted from the taxable value before the rate is applied.

(c) Includes Industrial and Commercial Facilities levies less Tax Increment Financing Authority levies.

(d) Represents taxes levied on "captured" portion of properties located within a special financing district.

**Township of Tittabawassee**  
**Principal Taxpayers**  
**March 31, 2004**  
**(Unaudited)**

---

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 State Equalized Value</u>	<u>Percentage of Total Assessed Valuation</u>
Consumer Power Company	Electrical and gas utility	\$ 5,613,100	0.0267
Dow Corning	Manufacturing	1,917,400	0.0091
Cabala Family LLC	Investments	1,288,000	0.0061
Falconview Estates Inc	Investments	985,600	0.0047
Dow Chemical	Manufacturing	942,400	0.0045
Richard Watson	Automobile dealer	868,000	0.0041
Garner Place LLC	Investments	754,400	0.0036
Bouford, J.C.	Investments	679,200	0.0032
Mid-Michigan Air Center	Commercial	672,400	0.0032
Freeland Mobile Home Park Inc	Commercial	649,300	0.0031
		<u>\$ 14,369,800</u>	<u>0.0683</u>

**Township of Tittabawassee**  
**General Fund Expenditures and Other Uses by Function**  
**Last Ten Fiscal Years**  
**(Unaudited)**

---

<u>Fiscal Year</u>	<u>Legislation</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Other Functions</u>	<u>Debt Service</u>	<u>Transfer Out (a)</u>	<u>Total Expenditures</u>
2003-2004	\$ 11,525	\$ 450,497	\$ 29,468	\$ 83,272	\$ 21,638	\$ 53,656	\$ 180,400	\$ 830,456
2002-2003	13,498	387,008	34,840	176,236	17,950	34,550	199,200	863,282
2001-2002	10,098	387,291	29,572	287,359	16,209	44,603	277,800	1,052,932
2000-2001	4,625	331,031	112,457	199,615	59,809	33,018	232,300	972,855
1999-2000	4,815	359,819	93,686	151,878	40,516	31,246	115,500	797,460
1998-1999	5,687	285,587	180,215	186,727	23,963	-	88,140	770,319
1997-1998	6,241	267,751	150,297	77,943	37,424	-	81,140	620,796
1996-1997	4,970	290,721	106,849	83,529	11,973	23,660	34,140	555,842
1995-1996	5,587	278,077	91,009	73,952	50,436	23,660	33,213	555,934
1994-1995	5,749	225,259	129,726	119,913	9,397	23,660	30,140	543,844

(a) "Operating Transfers Out" chiefly comprises transfers to the Police, Park, and Capital Project Funds.

**Township of Tittabawassee**  
**General Fund Revenues and Other Sources by Function**  
**Last Ten Fiscal Years**  
**(Unaudited)**

---

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Permits</u>	<u>State Shared Revenues</u>	<u>Grants</u>	<u>Charges for Services</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Operating Transfer In</u>	<u>Proceeds Long-Term Debt</u>	<u>Total Operating Revenues</u>
2003-2004	\$ 231,426	\$ 29,697	\$ 501,258	\$ -	\$ 102,943	\$ 63,875	\$ 58,265	\$ -	\$ -	\$ 987,464
2002-2003	208,373	32,717	535,493	-	100,565	91,064	47,323	-	-	1,015,535
2001-2002	204,300	24,087	701,452	-	87,834	73,471	17,490	-	-	1,108,634
2000-2001	199,603	107,697	447,324	16,995	83,904	77,879	41,756	-	-	975,158
1999-2000	159,044	110,239	432,596	-	79,040	54,659	25,047	-	-	860,625
1998-1999	199,326	119,758	394,982	-	79,704	52,588	91,863	-	-	938,221
1997-1998	138,653	88,580	420,672	-	72,717	45,109	15,923	-	-	781,654
1996-1997	127,673	61,890	354,130	-	63,120	35,886	38,045	-	-	680,744
1995-1996	119,327	56,372	332,882	-	65,778	31,903	57,730	1,695	-	665,687
1994-1995	114,451	49,525	274,906	-	58,694	22,265	24,561	1,111	47,471	592,984

**Township of Tittabawassee**  
**Computation of General Obligation Debt**  
**March 31, 2004**  
**(Unaudited)**

---

**Calculation of debt limit**

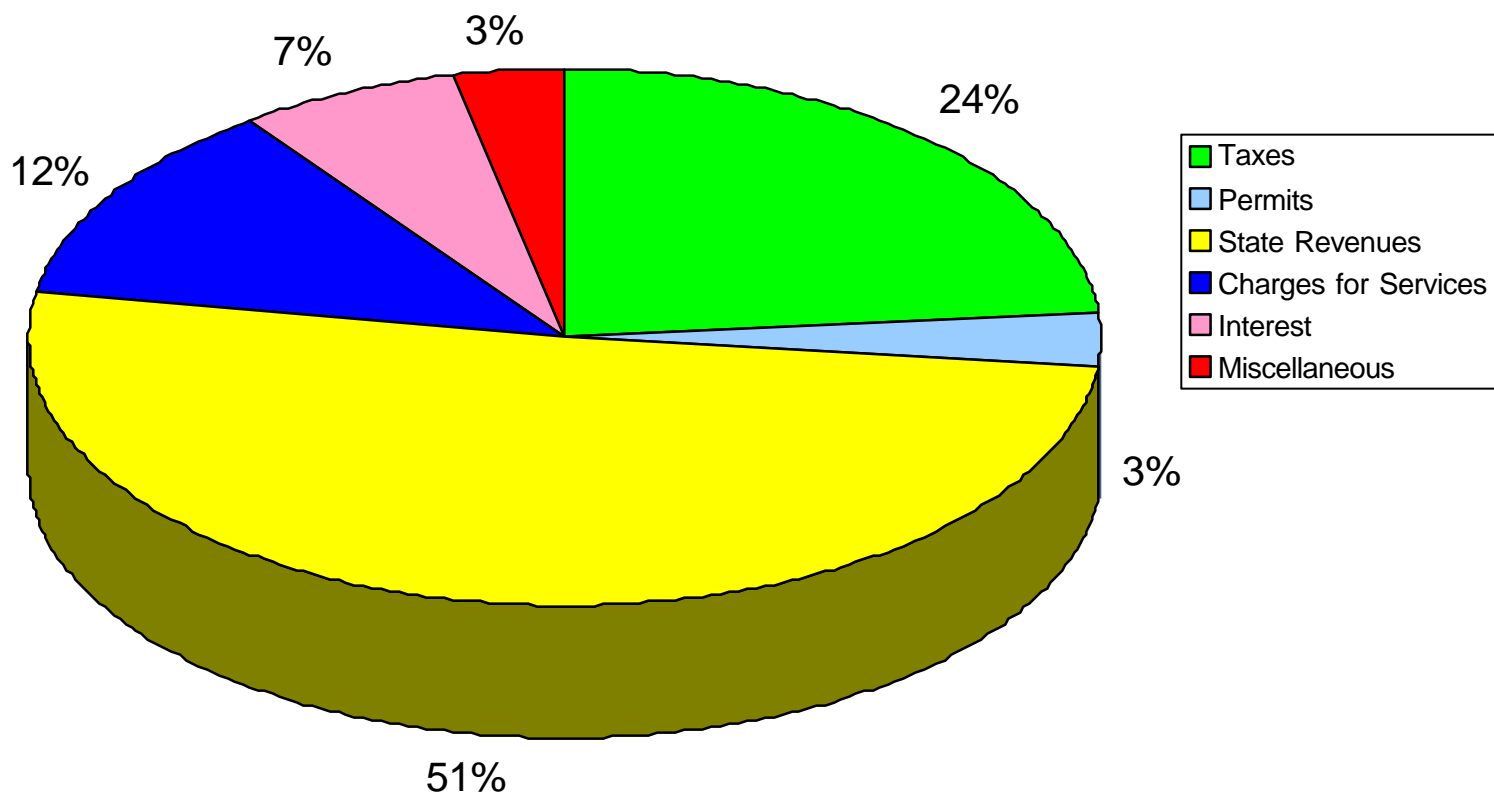
State Equalized Value	209,922,983
Statutory limit	<u>10%</u>
Maximum general obligation debt limit	<u>\$ 20,992,298</u>

**General Obligation Debt Outstanding**

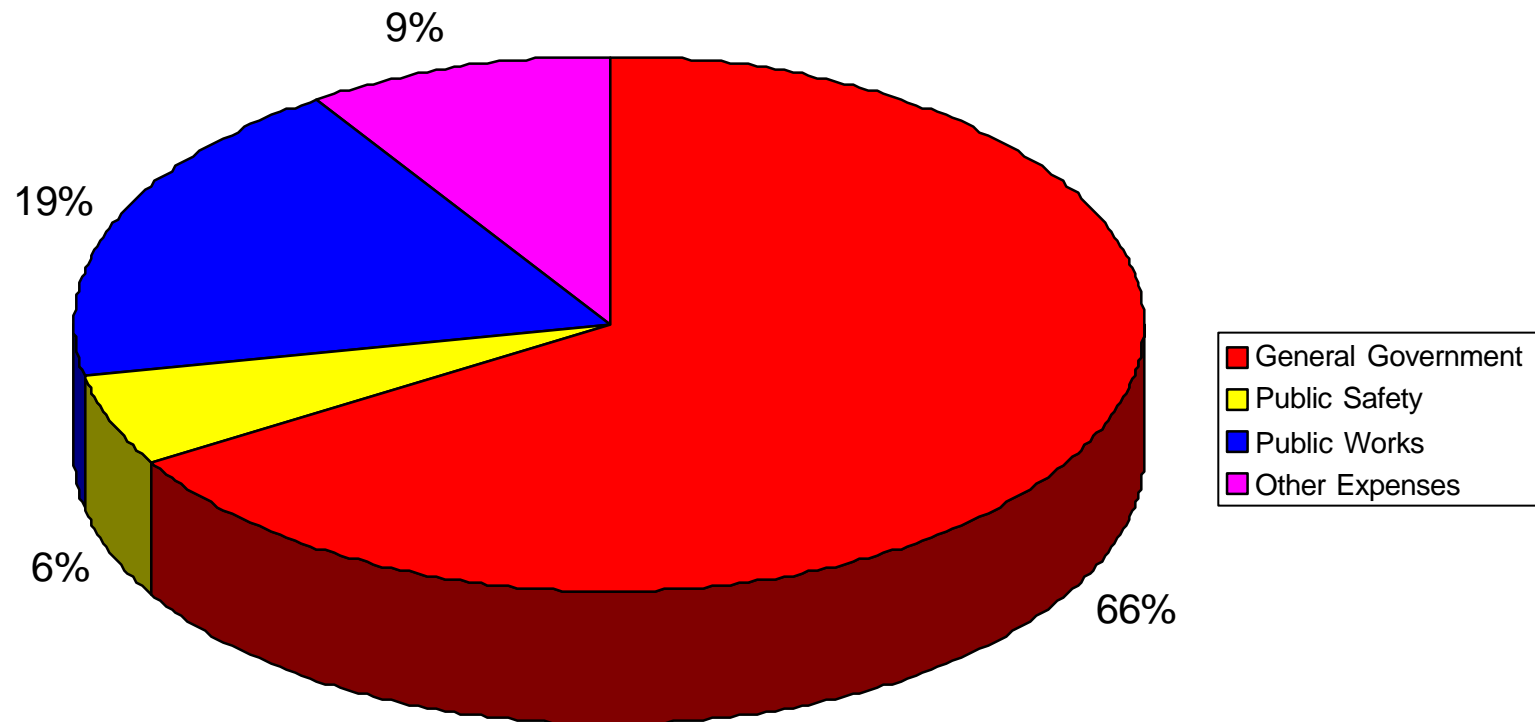
1994 Downtown Development bonds	1,000,000
Bishop Tile Drain contract	<u>295,800</u>
	<u>\$ 1,295,800</u>



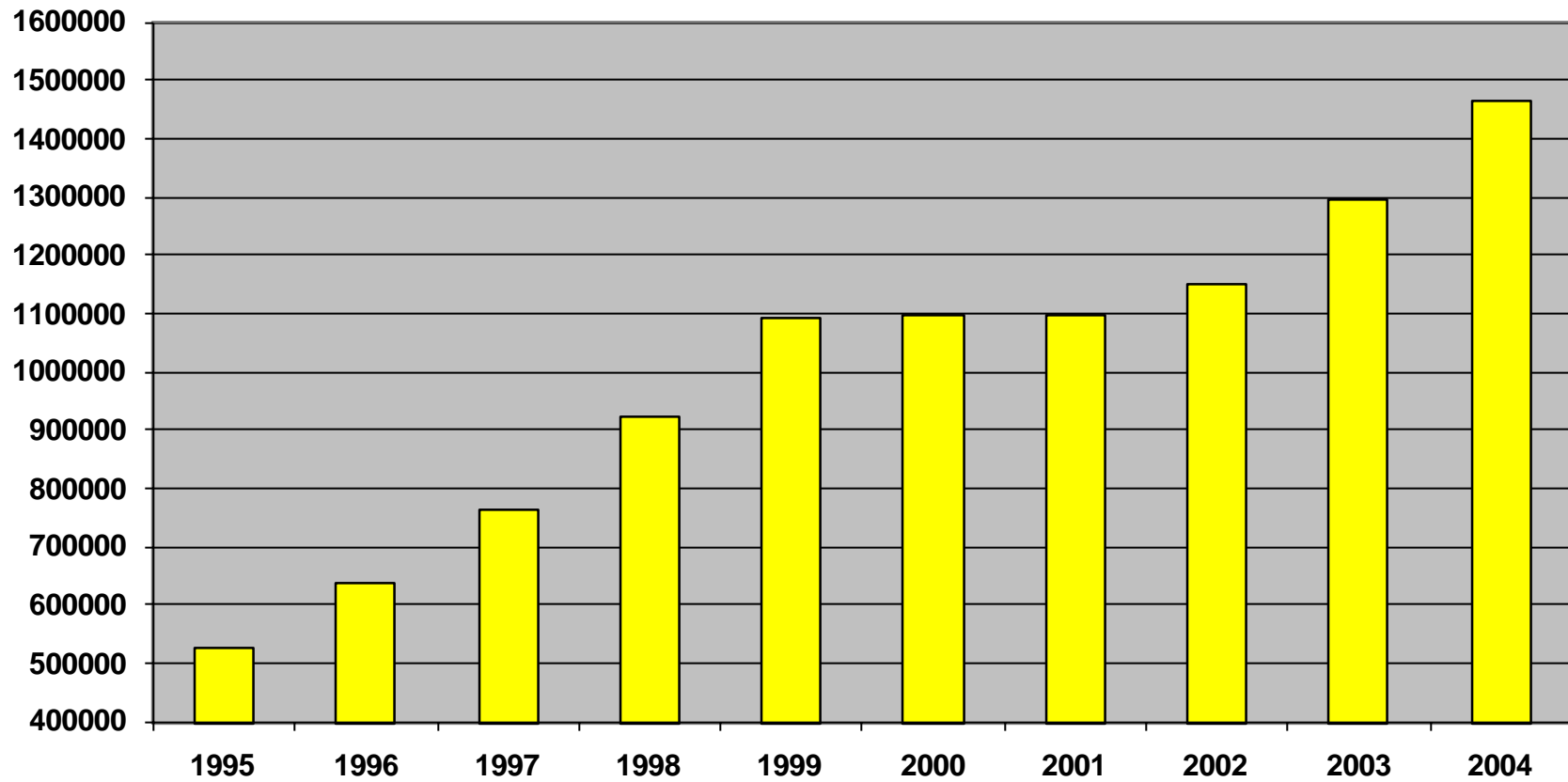
## Tittabawassee Township General Fund Revenue 2003-2004



## Tittabawassee Township General Fund Expenditures 2003-2004



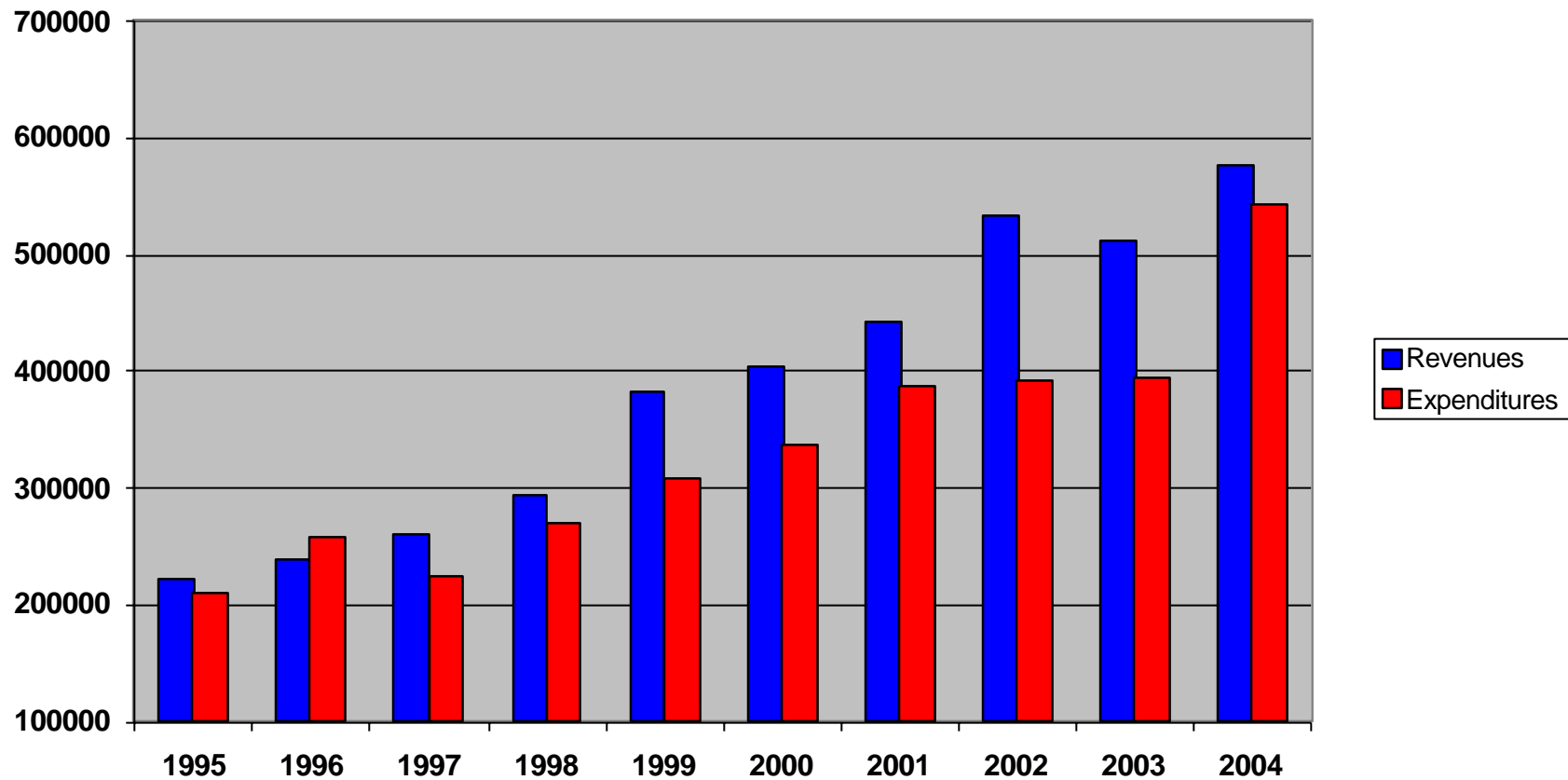
**Tittabawassee Township General Fund  
Fund Balance  
1995 - 2004**



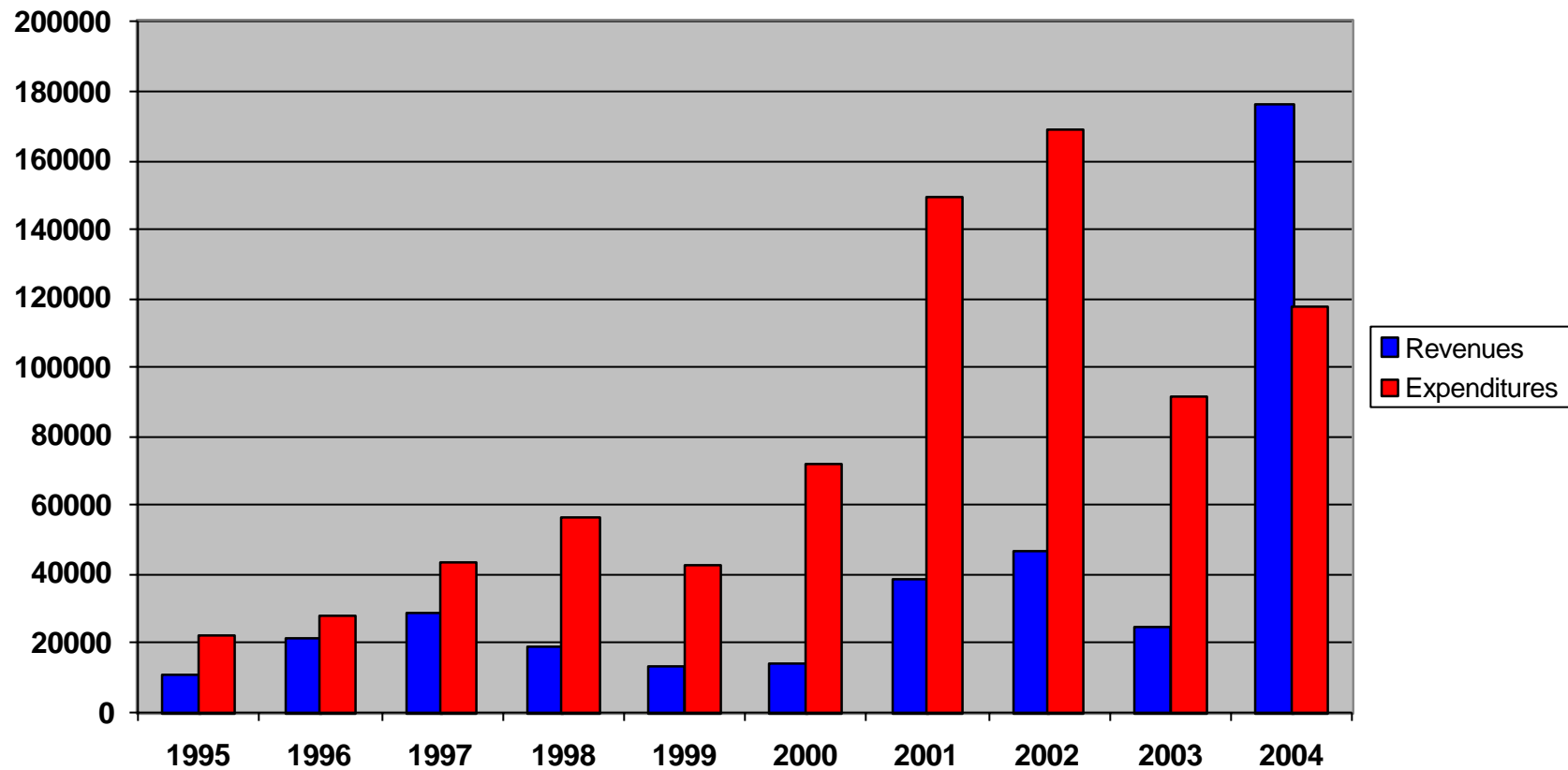
# Tittabawassee Township Police Fund

## Revenue and Expenditures

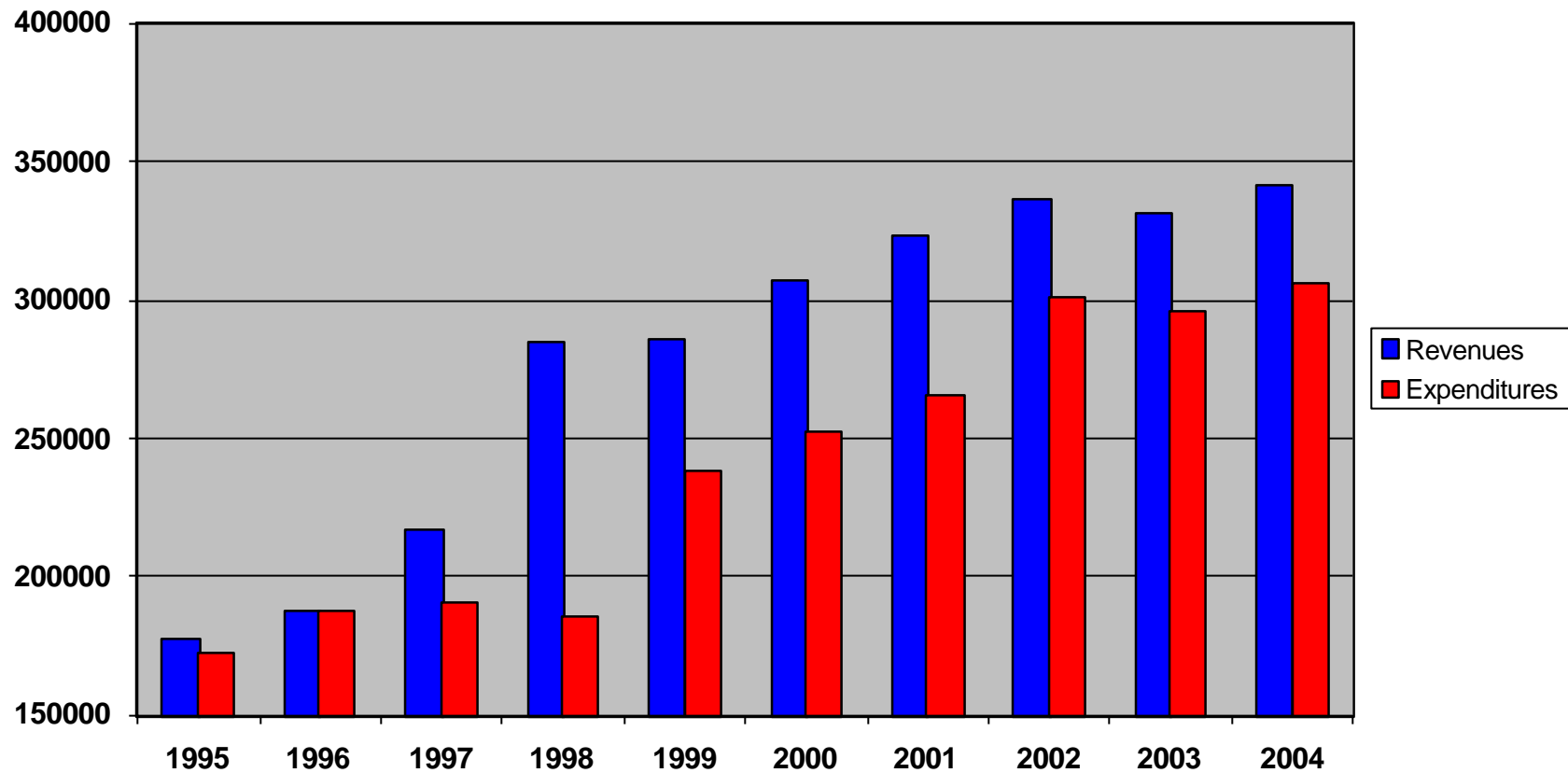
### 1995 - 2004



# **Tittabawassee Township Park Fund Revenues and Expenditures 1995 - 2004**



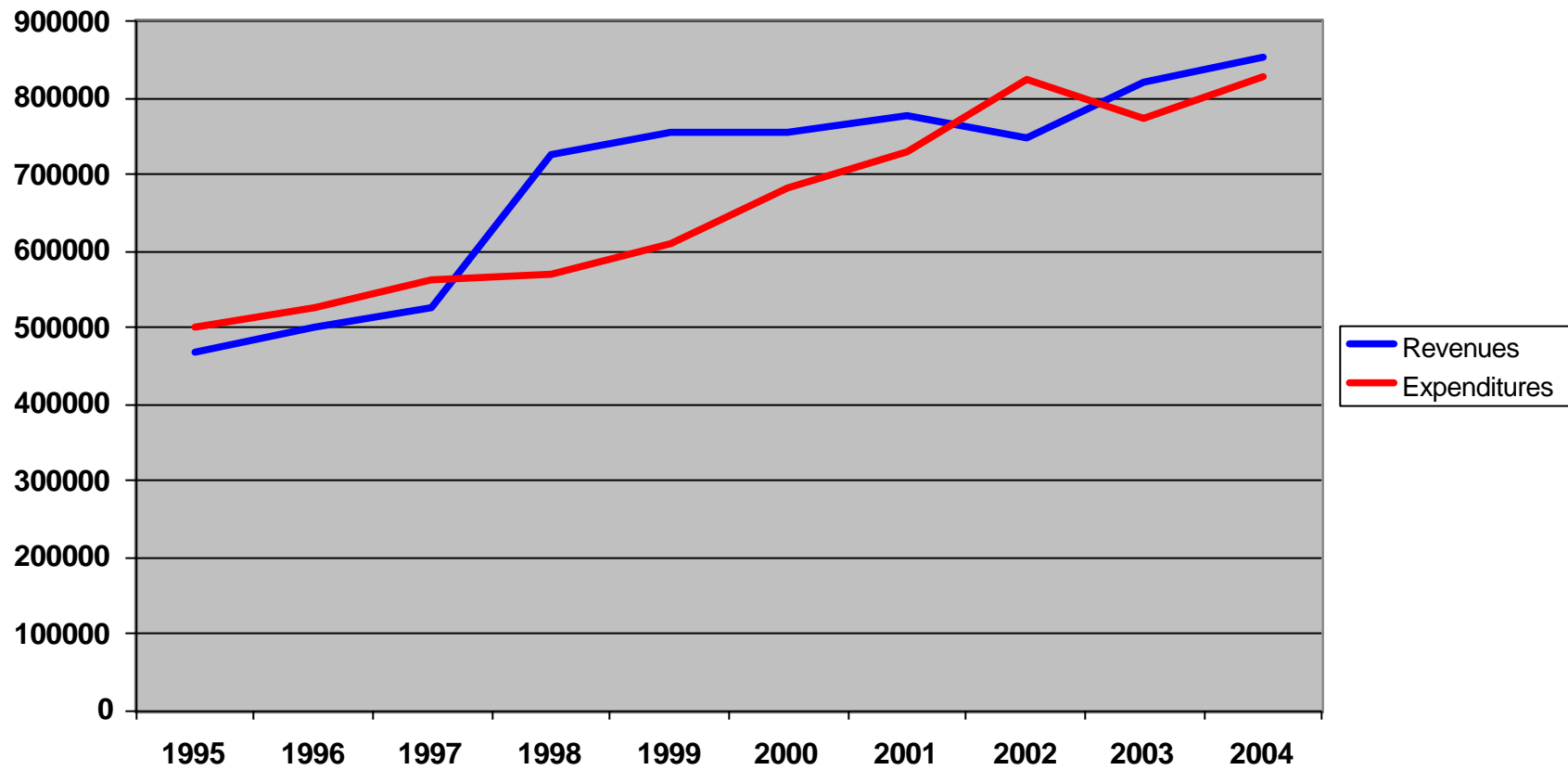
# Tittabawassee Township Trash Funds Revenues and Expenditures 1995 - 2004



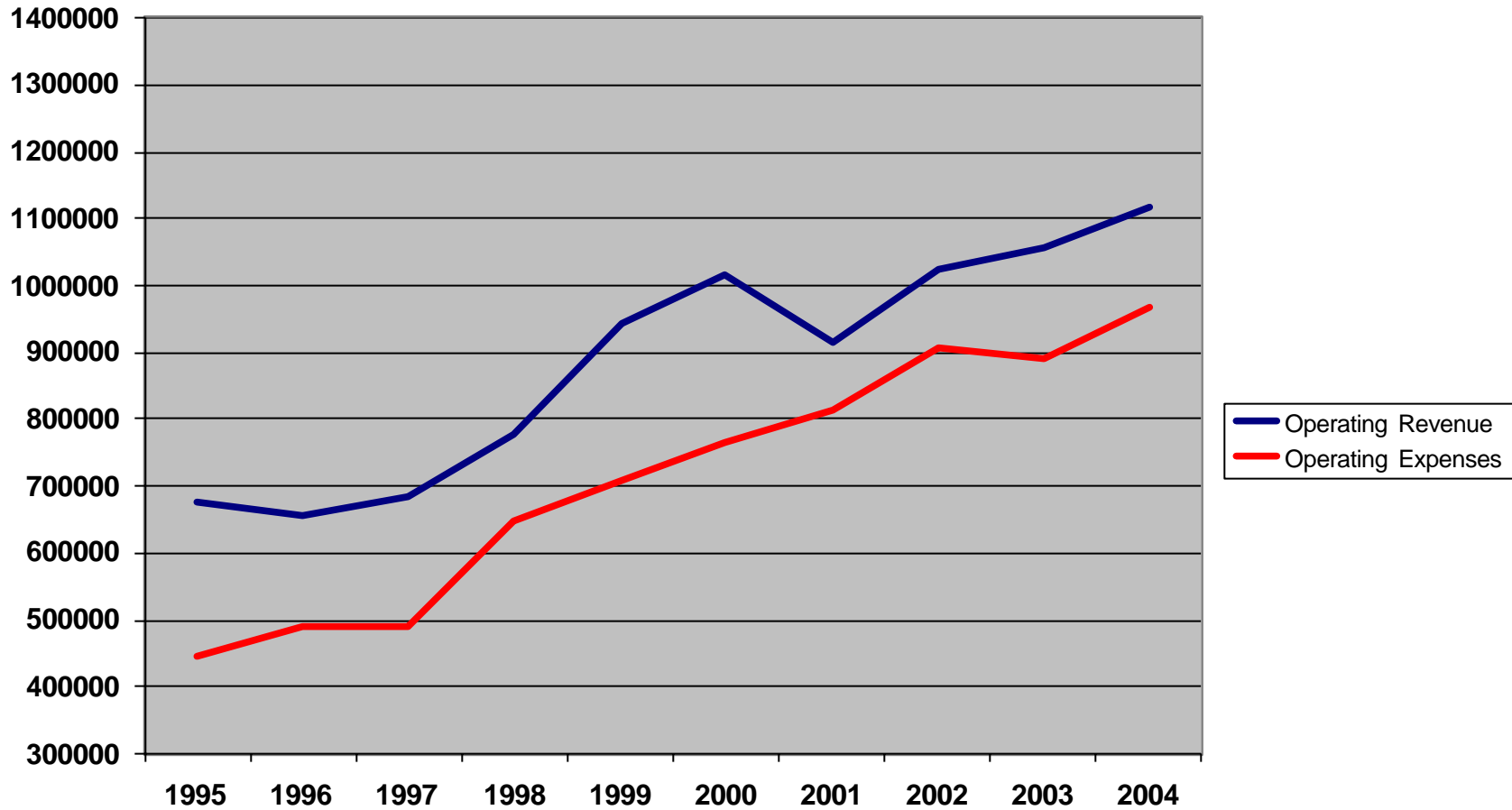
# Tittabawassee Township Sewer Fund

## Operating Income

### 1995 - 2004

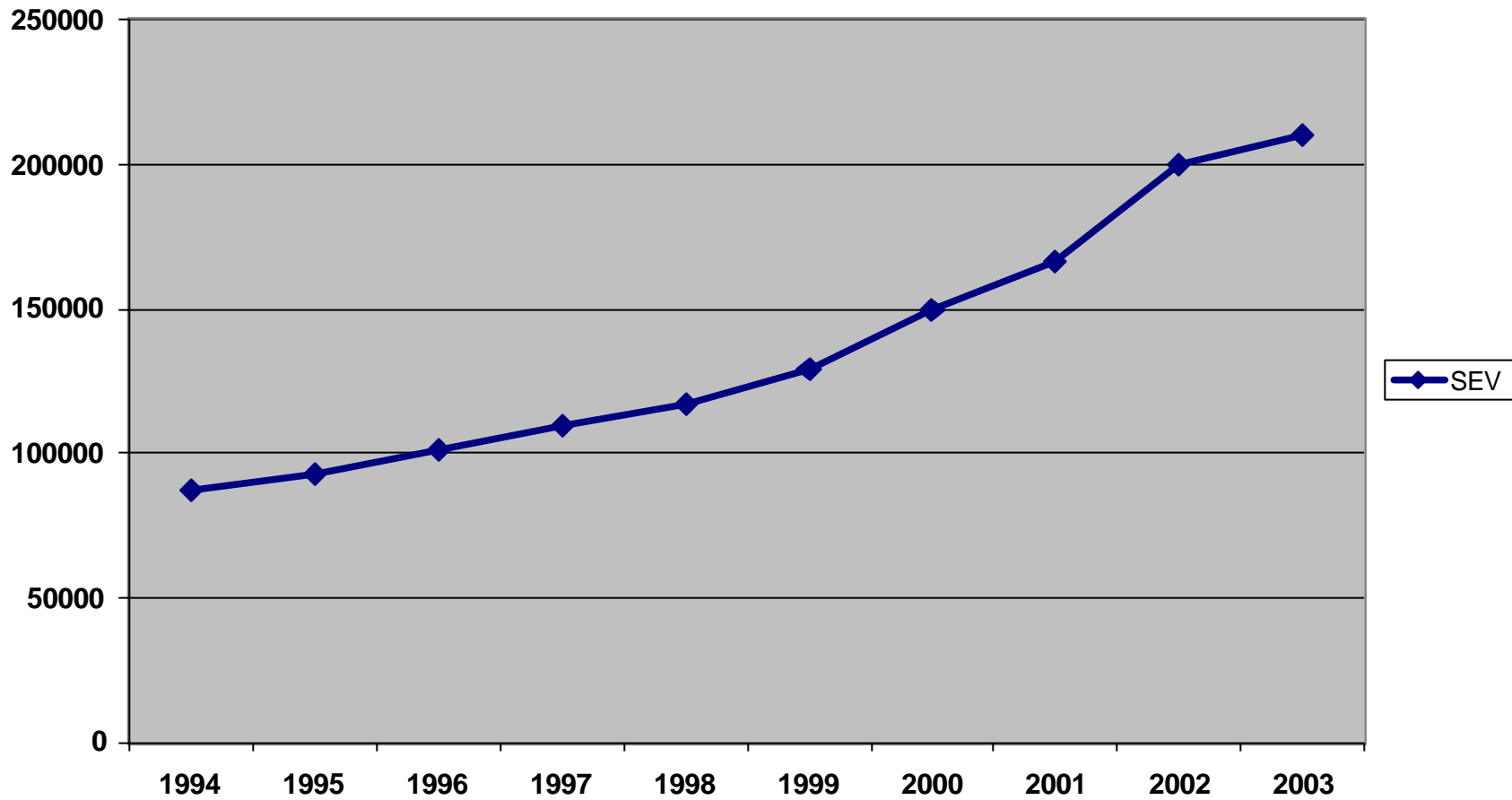


# Tittabawassee Township Water Fund Operating Income 1995-2004





## Tittabawassee Township Total Adjusted SEV 1994 - 2003





3023 Davenport  
Saginaw, MI 48602  
Phone (989) 793-9830 / (800) 968-0010  
Fax (989) 793-0186

May 14, 2004

To the Township Board  
Township of Tittabawassee

In planning and performing our audit of the financial statements of the Township of Tittabawassee for the year ended March 31, 2004, we considered the Township's internal control system to determine our auditing procedures for the purposes of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments regarding those matters. This letter does not affect our report dated May 14, 2004, on the financial statements of the Township of Tittabawassee .

#### **UTILITIES BILLING TESTING**

During our testing of the utilities billing, we noted that there was one instance in which there was a meter broken and the customer was billed for those unused gallons. The situation was promptly taken care of by replacing the meter and crediting the customer's account. However, it was determined that during this process, the customer did not get billed for any usage.

We recommend that a process be established that will prevent future non-billings from occurring.

#### **UTILITIES BILLING ADJUSTMENTS**

Strong internal controls require monitoring and oversight of accounts that are susceptible to manipulation and misappropriation. During our audit, it was noted that the monthly adjustments made to customer's accounts are not being reviewed on a regular basis by someone independent of the utilities billing process. We recommend that the fiscal services director receive the monthly report of adjustments made to customer's accounts and review it paying close attention to the following items: recurring adjustments to the same accounts, adjustments to Township employee's accounts, other related party's accounts, and void transactions. After review, the fiscal services director should initial his approval and these reports should be maintained for outside verification.

#### **BANK RECONCILIATIONS**

In reviewing the bank reconciliation process, we noticed that the same person handles the general ledger, prepares checks and reconciles the bank accounts. There should be someone other than the fiscal services director receiving the bank statements and looking at them along with the canceled checks for unusual items before the reconciliation takes place.

Township Board  
Township of Tittabawassee

We recommend that an individual independent from these functions receive the bank statements directly from the bank. These statements should be reviewed first by this individual for unusual checks or other transactions and then given to the fiscal services director for the reconciliations to be performed. The independent review of the bank statement and canceled checks will ensure that unusual items are investigated on a timely basis.

### **CASH HANDLING**

The Township has established cash handling procedures that are monitored in the Township Hall. Risks of misappropriation typically increase in remote locations. Therefore, we recommend that you consider transferring responsibilities for handling cash at the Department of Public Works be transferred to the Township Hall.

### **AUTOMATED CLEARING HOUSE (ACH) ARRANGEMENTS**

Electronic payments and transfers are impacted by Pubic Act 738 of 2002. The act requires Michigan townships to adopt a resolution to authorize use of automated clearing house (ACH) arrangements. Each township needs to designate an Electronic Transactions Officer (ETO), develop a written ACH policy that includes procedures and internal controls, and initiate a board resolution to adopt the ACH policy. The ETO of any township may enter into ACH arrangements as a result of this act.

To be in compliance with Pubic Act 738 of 2002, we recommend that the Township adopt a resolution to authorize the use of electronic transactions.

### **NEW REPORTING MODEL**

The Government Accounting Standards Board has issued GASB 34 *Basic Financial Statements – and Management’s Discussion Analysis – for State and Local Governments*, GASB 37 *Reporting Model Omnibus* and GASB 38 *Note Disclosures*. The pronouncements will have a significant impact on external reporting. The new reporting model will be effective for the fiscal year ending March 31, 2005. Changes to the audited financial statements will include the following:

- Township-wide financial statements, segregating governmental and business-type activities and component units;
- Statement of activities, distinguishing between program and general revenues to identify net program costs;
- Identification of major funds;
- Presentation of the final amended budget, along with the original budget; and
- Recognition of all fixed assets, with an initial value per item, including infrastructure. All fixed assets will be recorded at historical value and depreciated over the assets useful life.

In addition, the Government Accounting Standards Board has issued GASB 44 *Economic Condition Reporting: The Statistical Section*. The new standard will affect the presentation of the statistical section of the comprehensive annual financial report.

Page 3

Township Board  
Township of Tittabawassee

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Township personnel. We will be pleased to discuss these items in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

Very truly yours,

YEO & YEO, P.C.  
CPAs and Business Consultants

A handwritten signature in black ink that reads "Mari McKenzie". The signature is written in a cursive style with a large, stylized "M" and a long, sweeping underline.

Mari McKenzie